The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

IN THIS ISSUE

A Way Out for Japan!

Western Branch of C.E.R. Captured by Mutineers

What to Do About the League Commission's Report

Japan Must Raise More Money---But How ?

Mukden "Bombing" Was Complete Japanese Military "Frame-Up"

The Machine-Gun as a Rice Harvesting Implement

Col. Henry L. Stimson Is Not Popular in Japan

League Commission's Report

Japan's Next Hurdle Is League Assembly

Outlook in Canton After Sun Fo's Departure

A French Survey of Economic Conditions in Japan

Hu Shih Says World Opinion Will Finally Curb Japan

China's Stand Toward Japanese Recognition of Manchukuo . . . . . By Paul K. Whang

France and the Chinese Eastern Railway . By Harry Paxton Howard

The United States, Japan and Manchuria . By K. Y. Huang

A Game Which Uncle Sam Can Also Play By Geo. W. Missemer

SATURDAY, OCTOBER 8, 1932 VOLUME 62, NUMBER 6

FORTY CENTS A COPY

The National City Bank of New York

1-A KIUKIANG ROAD, SHANGHAI

Head Office:

55 WALL STREET, NEW YORK, U.S.A.

Capital, Surplus and Undivided Profits
over U. S. $205,400,000

Branches and Affiliates:

Argentina	England	Philippine Islands
Belgium	France	Porto Rico
Brazil	Haiti	Republic of Panama
Chile	India	Spain
China	Italy	Straits Settlements
Colombia	Japan	Uruguay
Cuba	Mexico	Venezuela
Dominican Republic	Peru	

2 tael cents will run an ELECTRIC TOASTER FOR ONE HOUR

SHANGHAI POWER CO

HEAD OFFICE & SHOWROOM:

95 NANKING ROAD

BRANCH SHOWROOMS & COLLECTING OFFICES:

772 Bubbling Well Road - - 107 Boone Road
424 Chekiang Road - - - 440 East Broadway

TELEPHONE 11010 (all Departments)

密勒氏評論報
The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 62 | Shanghai, China, Saturday, October 8, 1932 | Number 6

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 38 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG — DANIEL J. LEE
S. C. YANG (Harbin) — CHANG YA-CHUEN
MARK M. LU (Honan) — FLORENCE WONG (London)

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs

A Way Out for Japan! 219
The Machine-Gun as a Rice Harvesting Implement 220
Col. Henry L. Stimson Is Not Popular in Japan 220
Japan Must Raise More Money – But How? 221
What to Do About the League Commission's Report .. 222
Western Branch of C.E.R. Captured By Mutineers 223
Mukden "Bombing" Was Complete Japanese Military "Frame-Up" 225

Special Articles

Japan's Next Hurdle Is League Assembly 229
Outlook in Canton After Sun Fo's Departure 231
China's Stand Toward Japanese Recognition of Manchukuo ..... By Paul K. Whang 232
A French Survey of Economic Conditions in Japan .. 233
France and the Chinese Eastern Railway ..... By Harry Paxton Howard 235
League Commission's Report 237
The United States, Japan and Manchuria ..... By K. Y. Huang 250
Hu Shih Says World Opinion Will Finally Curb Japan 254
A Game Which Uncle Sam Can Also Play ..... Geo. W. Missemer 256
Men and Events 258
Who's Who in China 260
New Books of Interest in the Far East 262

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS" COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

A WAY OUT FOR JAPAN!

THE Japanese Government, under pressure of the Imperial War Department, granted recognition to the puppet regime of Manchukuo. It didn't require the report of the League Commission to convince the Japanese people, particularly the business and industrial leaders of the country that the Manchukuo regime has no prestige or standing with the people of Manchuria or the Chinese people anywhere. It is a Japanese military set-up and cannot stand unless propped up by Japanese bayonets, which will be an expensive and in the long run disastrous enterprise. But since Manchukuo was officially recognized, the Imperial Japanese Government naturally cannot reverse itself and maintain its prestige with its own people. But there is another way out for Japan which would not result in a complete loss of prestige. Withdraw the Japanese troops to their original positions within the South Manchuria Railway zone which were occupied prior to Sept. 18, 1931. This would enable the Chinese people in Manchuria to settle with Henry Pu-Yi and the other members of the Manchukuo set-up at Changchun. Manchukuo is supposed to have an army of its own and if it deserves the name of government, should be able to defend itself against the so-called bandits and volunteers. Perhaps the two factions might be able to reach a compromise in customary Chinese fashion. The Japanese ought to know that so long as they lend military support to Manchukuo it never will enjoy the confidence of the Chinese people in Manchuria, who comprise ninety-five percent of the population. But if the Japanese should step aside and let the Chinese in Manchuria settle the issue, the resulting regime would in a sense be representative and receive the support of the people. This would then pave the way for Japan to regularize her position in Manchuria and make it accord not only with actual conditions in Manchuria but world sentiment as well. As the situation stands today Manchuria is rapidly degenerating into a commercial grave-yard. Japan's present situation in respect to Manchuria reminds one of a story about an American farmer who thought there was oil in the ground under his land. His friends, including expert geologists, advised him against drilling a well but he persisted and started to work on the expensive job of prospecting for oil. He drilled deeper and deeper and ultimately had to mortgage his farm to obtain funds to continue drilling the

OF
PHILADELPHIA

well. Finally his money was entirely exhausted and his once prosperous farm had completely disappared down the oil well which turned out to be entirely dry. Manchuria in this case represents the oil well and Japan the once prosperous farmer. One wonders how long it will be before prosperous Japan disappears down the dry Manchurian "oil-well." The present tendency is in that direction!

THE MACHINE-GUN AS A RICE HARVESTING IMPLEMENT

THE *United Press* carried a brief dispatch from Mukden on September 29 stating the Japanese Consul-General had decided to dispatch 250 Japanese police equipped with machine-guns for the purpose of protecting Korean farmers while harvesting their rice crop in the vicinity of Mukden. The rice crop in the Mukden area, largely cultivated by Koreans, was estimated at more than 1,000,000 bushels. The report is interesting since it was a similar attempt on the part of the Japanese to protect Korean farmers at the town of Wanpaoshan on July 2 of last year that provided one of the incidents leading up to the Japanese military occupation of Manchuria. It therefore is a matter of some significance that the Japanese, after more than a full year of military activity in the "pacification" of Manchuria, must still use machine-guns to protect their Korean settlers—and within a few miles of Mukden where Gen. Muto commander-in-chief of the Imperial Japanese forces has his headquarters. It shows that the problem of Korean settlers in Manchuria is still a major issue even though the Japanese are in almost complete military control of the territory.

According to fairly reliable estimates there are approximately 1,000,000 Korean settlers in Manchuria, most of them being engaged in agricultural pursuits which they seem to be able to manage in competition with the Chinese farmers. For many years there was no trouble between the Chinese and Koreans because there was plenty of land for both and the Korean showed himself adaptable to Chinese conditions. It was only when the Japanese Government at Tokyo began to meddle with the Koreans and assert its exterritorial control over them that trouble began to develop. The original Korean settlers who emigrated to Manchuria became Chinese citizens through the naturalization process and since they thus became subject to Chinese laws on the same basis as the Chinese there were no complications. But the Imperial War Department at Tokyo could not pass up the opportunity for using the Korean emigrees as an instrument of aggression. Japanese consulates plentifully supplied with so-called consular-police were established in the Korean communities and the Koreans were forbidden to become Chinese citizens; more, they were compelled to register at the Japanese consulates as Japanese subjects, which placed them beyond the authority of the Chinese courts and thus gave them an exalted position above their Chinese farmer-neighbors. The result was immediate trouble between the Chinese and Koreans and whenever trouble developed the Japanese authorities were quick to provide military protection, thus further aggravating the situation. It therefore was perfectly natural after the beginning of the complications between China and Japan in September, 1931 for the Chinese to first vent their animosities against the Korean settlers and thousands were massacred. For many months all the Japanese-garrisoned towns along the South Manchuria Railway were filled with Koreans who had been driven out of the inland districts by the Chinese. In Mukden the Japanese solved the Korean housing problem by simply turning over to the Koreans the homes which the Chinese had vacated when the Chinese exodus began after the Japanese occupation of the Manchurian capital. If left alone the Chinese and Korean peasants fraternize and intermarry and become an ethnic unit, but this of course is just what the Japanese wish to prevent!

COL. HENRY L. STIMSON IS NOT POPULAR IN JAPAN

WE have no way of knowing what adjectives the Japanese use in their native language newspapers in referring to Col. Henry L. Stimson, U. S. Secretary of State, but they apparently have almost worn out their English dictionaries in the search for expressive terms for use in referring to the author of the new international doctrine of non-recognition of stolen territory.

Col. Stimson as cartooned in the Japanese newspapers.

In last week's issue of *The Review* we reprinted a reference from the official Japanese newspaper, *Manchuria Daily News* published at Dairen, wherein a Japanese writer referred to the "vague, meandering, aimless gabbles anent Manchuria by the present day occupant of the White House and his Secretary of State." Then there was reference to the "rainbow theories" of the Secretary of State and considerable sarcasm about his "quibbling over verbose documents," and words to similar effect. In addition to the verbal bombs hurled at Secretary Stimson, the Japanese cartoonists also have had considerable sport to the same effect, the one shown herewith which depicts him in sailor garb having been reproduced from the English edition of the *Osaka Mainichi*. The heading over the cartoon read as follows: "In Difficult Position—Col. Henry Stimson's Far Eastern Policy Up Against a Wall of Unpopularity—Even the American Journals Are Poking Fun at his Peculiar

Diplomacy." Under the cartoon was published a long telegram from Takeo Ohara, Japanese correspondent in New York for the Osaka paper, who apparently derived much joy from a cartoon and editorial attack on Col. Stimson which had appeared in the Hearst newspapers. In describing the Hearst cartoon the Japanese correspondent said Col. Stimson reminded him of a man hanging from a slender branch of a tree while beneath him was Japan in the form of a crocodile awaiting with "big open mouth" to devour him. The dispatch also referred to the recent visit of Senator Reed to Europe as President Hoover's emissary and declared that Senator's Reed's alleged success in lining up Europe in favor of the Hoover-Stimson policy in the Far East "is greatly minimized if not completely discredited."

The Japanese newspapers have derived great satisfaction from Hearst's attack on the American Secretary of State, Hearst now being regarded as Japan's outstanding friend in the United States. At the meeting of the Tokyo Privy Council when the decision was made to recognize Manchukuo, a high Japanese diplomatic official was called in to report on the status of world opinion with respect to Japan's present activities in Manchuria. After surveying sentiment in the various countries of Europe, the diplomatic official informed the privy counsellors, cabinet officials and the Emperor that Wm. R. Hearst was Japan's chief friend in America.

JAPAN MUST RAISE MORE MONEY--- BUT HOW?

JAPANESE financial and political circles are at present agitated on the subject of whether there is to be a general increase of taxation. As is well known the Japanese public is already bearing a tremendous taxation burden and responsible officials in Japan are expressing fears as to whether the breaking point has not almost been reached. It is agreed on all sides that a great deal more money will have to be raised somehow. The point to be decided is how this is to be accomplished.

Mr. Takahsahi, the Japanese Minister of Finance, who has of late been taking an extended holiday at his villa at Hayama, in an interview expressed himself as being opposed to further increase in the rate of taxation. He said, "There are some who advocate the increase of taxes to cope with the deficit of the revenues and the contemplation of new financial resources, but I do not agree with them and I do not intend to increase the taxes until the economic world is somewhat stabilized and the people's' ability to bear the burden of the taxes is greater." He added that in view of the decrease of the revenues, all the government offices must ovserve strict economy in the preparation of the budget estimates, and he hoped they would not give trouble to the Cabinet by making demands for appropriations which are not urgently needed.

However, no matter what the views of the Finance Minister are the problem still remains of how to raise the money. The needs of the army and navy are particularly insistent. The maintenance of the present forces in Manchukuo is considered necessary by the Japanese government for some time yet for the conduct of campaigns against the "bandits" and consequently the Manchurian affair expenditure for the next fiscal year will be something like Yen 250,000,000 to Yen 300,000,000. As the War Office wants some Yen 200,000,000 in other directions, the total of the War Office estimates is expected to be about some Yen 500,000,000. The supply of arms and ammunition to replenish the stocks depleted by the Manchurian affair will also claim a substantial sum. Similar replenishment is required in regard to the Japanese navy also.

The Japanese press is by no means unanimous on the best steps of raising the money. Both the *Chugai Shogyo* and the *Jiji* raise their voice against increased taxation. The *Chugai Shogyo* supports the Finance Minister's stand. It admits that in certain circumstances an increase of taxes is justifiable socially and economically, but the present is no time for it. The country is in a serious position economically, it argues and the initial step is about to be taken towards economic revival. If at such an important moment taxes are increased, it will produce serious effects on the economic world; it would be a mistake to denounce the policy of the present Cabinet as too timid, in the *Shogyo's* opinion. The *Jiji* also sympathises with the Finance Department authorities in their admittedly difficult problem of compiling the new Budget. Whereas no increase can be expected in State revenue, a big increase in expenditure is obvious. In such circumstances, it is fully to be anticipated that the new Japanese Budget will reveal a bigger revenue deficit than the Budget for the present fiscal year. It is superfluous to say that the deficit increase is very unwelcome, but owing to the severe economic depression now prevalent in Japan *Jiji* hesitates to support any new loans. The *Jiji* says the best course to pursue in existing circumstances is to make up revenue deficit with public loans, awaiting the return of normal national economy to revert to the normal course of balancing the Budget.

On the other hand, the *Osaka Asahi* takes exception to the Finance Minister's view that there is no warrant for an increase of taxes at the present time and says that his view, though very sensible and proper if put forth in ordinary times, hardly applies to the present emergency situation. In the opinion of the Osaka journal, Mr. Takahashi's vision is confined to the consideration of the dwindled incomes of the nation, but leaves out of consideration the changes which are taking place in various phases of society. The Osaka paper continues:

> "Owing to thoughtless and irresponsible propaganda by some people and the advocacy by political parties of measures which amount to the cancellation of debts, the financial world is permeated with intense uneasiness. The best way for the Government to counteract such harmful propaganda is to make a deep study of the bearing capacity of all classes of people and work out plans to ensure the fair incidence of the burden of taxation, calling upon people who can afford it to bear heavier taxes. Such a course will prove an effectual modifier of the present dangerous phases of society, and a sense of security will increase among the public. The truth is that industrialists and moneyed classes are, in existing social conditions, gradually losing the sense of confidence and security with regard to their property. This tendency is, no doubt, partly due to the recent unsteady state of the financial world, but more largely due to the disturbance in the world of thought and to the highly irresponsible propaganda

of political parties and other organisations. Some millionaires have come to entertain doubts whether they can safely leave their property to their children as safeguards for their future life. Such doubts must be effectually dispelled by the authorities in a country where the private property system is firmly recognised and its permanent maintenance is guaranteed. The existence of such impossible misgivings and uneasiness is in part responsible for the flight of capital from this country, and the debilitation of the spirit of enterprise. If the Government is fully awake to its weighty responsibility to the nation, it ought to put the taxation system on a just and equitable basis quickly, instead of indulging in empty and irresponsible propaganda or relying solely on contributions by a few big capitalists. By this means, it can restore the sense of security to the capitalist class and strengthen public confidence in the private property system. National finance can also be saved and a fresh fillip given to industrial development. It will further serve to prevent the flight of capital from Japan."

The publication of the Lytton report caused a considerable flurry in the yen-exchange in both London and New York while a further report in New York that Japan was contemplating a fresh bond issue of more than two billion yen resulted in added uneasiness resulting in a further drop in the value of the yen which recently had increased slightly due to heavy purchases of Japanese raw silk in the United States.

WHAT TO DO ABOUT THE LEAGUE COMMISSION'S REPORT

THE 12,000-word summary of the 100,000-word report of the League of Nations Commission of Inquiry into the Manchurian crisis appears elsewhere in this issue of *The Review*. It was released for publication on Sunday night, October 2 and appeared in newspapers over the world on the following Monday morning. The full report is still in process of printing and doubtless will be distributed shortly. Opinion over the world regarding the preliminary report ranges all the way from the *London Daily Mail's* view that Japan's presence in Manchuria is as natural and salutary as that of Britain in India and Egypt, to the *London Daily Herald* (Labor organ) which declared the Lytton report found Japan guilty on all counts. The surprising thing is that a commission composed of one American and four Europeans, all of different nationalities, should have been able to reach a unanimous decision which generally favors China and this in spite of the presence on the commission of representatives of nations which allegedly sympathize with Japan's position. There is obvious encouragement in this because it provides an interesting sidelight on intelligent world opinion regarding Japan's activities. It is this unanimity of opinion on the side of peace and international justice, which in the long run will provide the most serious obstacle for Japan to surmount. Someone recently said that Japan probably will be defeated by the so-called "imponderables" doubtless meaning by this that Japan ultimately will discover that despite her almost impregnable military strength she cannot overcome all of the "nameless, weightless and indefinite" opposition which she has stirred up. An example of this is provided in the fact that in addition to the human opposition which Japan's action occasioned Manchuria was this summer visited by a disastrous flood which destroyed most of the North Manchurian crops of wheat and soya-beans which the Japanese had counted on as payment for their heavy military expenditures. The Japanese warlords who were responsible for the Manchurian adventure had not counted on a disastrous flood and neither had they counted on the mass-opposition of the Chinese peasantry which is now evidenced in the so-called banditry situation which is turning all Manchuria into a commercial graveyard.

But the immediate question is, What are China and Japan going to do about the Lytton report? While the Japanese have not yet issued their official statement on the subject, preliminary reports indicate that the Imperial War Department is about 100-percent opposed to the Commission's findings and since the Tokyo General Staff is all-supreme in the dictation of governmental policies it probably means that Japan will continue on her present course even though major disaster for the Empire lurks around the corner. The statement from Tokyo telegraphed by *Reuters* on October 3 that Japan "might have accepted the Commission's suggestions had they been made six months earlier, but that the recommendations cannot be accepted today in view of Japan's recognition of Manchukuo," will not help Japan's case in League circles or elsewhere because of the general knowledge that Japan speeded up recognition of the puppet state in order to present the League and the world generally with an "accomplished fact." Had the Commission published its report six months ago the Tokyo war-lords would still have found means of putting over their recognition beforehand. Japan's move to circumvent the League's attempt to bring about a peaceful adjustment of the Manchurian issue by prior recognition of the puppet state, simply makes the situation more difficult for Japan. It cannot have any effect on either the League's or America's reaction except insofar as it makes the adherents of peace more determined to accomplish their major objective.

China's reaction to the Lytton report provides the most interesting subject for speculation because the Central Government is more or less committed to accept the Commission's recommendations. However that does not mean that the people generally will accept or that there will be any clear-cut decision one way or the other, either by the people or the Government. Generally the Chinese are severely critical of the chapter in the report which refers to anti-foreignism as a Kuomintang doctrine without also pointing out that what the foreigners in China label as "anti-foreignism" is but a manifestation of nationalism and is not directed against foreigners but against the foreigners' special position in the country. As for the anti-Japanese boycott it is nothing more nor less than China's method of opposing foreign aggression in the lack of effective organized military resistence. Where other countries would oppose aggression by force of arms, China uses the boycott of foreign merchandise and past history has shown it to be a most effective weapon. Japan has frequently been the object of boycott attacks and on each occasion the boycott of Japanese goods has followed Japanese aggression such as the Twenty-One Demands of 1915, the Shantung occupation during the World War and more recently the

Manchurian affair. The Chinese generally support the three phases of the report which hold Japan responsible for the events which took place in Manchuria on September 1 and following; that the Manchukuo state is a Japanese set-up and that Manchuria is a part of China. There is some disappointment that the Commission's recommendation for reestablishment of Chinese administrative control in Manchuria is not more definite, but more conservative Chinese opinion probably will be inclined to accept the Commission's recommendation on this point as the best deal obtainable at the present. But as stated there can be no definite forecast of Chinese reactions because the country is not unified politically although public opinion throughout the country is unified on the proposition that Manchuria must be recovered.

As suggested previously in these columns there is a possibility that the question of negotiation with Japan with the prospect of reaching a compromise may ultimately develop into a serious domestic political issue resulting possibly in renewal of civil war. Generally public opinion is more or less clearly divided into two camps: those who favor negotiation with Japan somewhat along the line suggested by the Lytton Commission; and those who favor no negotiation and no compromise, but a continuance of the present boycott of Japanese goods and a further intensification of "banditry" and volunteer activities against the Japanese in Manchuria. There practically are no Chinese who would favor independent and private negotiations with the Japanese without League or some other potent outside assistance. Many highly-placed Chinese believe there will be no permanent settlement of the Manchurian issue until the situation in the Far East becomes so serious that the United States Government will be compelled to call another Washington Conference and apply pressure on Japan somewhat similar to what was necessary in the settlement of the Shantung issue following the World War. But before concluding the possibilities, mention also should be made of the considerable group that think China's future on the Manchurian as well as on other foreign issues will not be settled until China makes a hard and fast alliance with Soviet Russia and adopts the communist system.

WESTERN BRANCH OF C.E.R. CAPTURED BY MUTINEERS

AN extraordinary state of affairs developed during the latter part of last week on the western section of the Chinese Eastern railway running between Harbin and Manchuli, the latter being near the Sino-Russian frontier. The railway guards, discontented because their pay was in arrears and because the commander had a grudge against same of his superiors, staged a minor revolution on their own account, one of their first acts being to take over control of the train service. They seized the Customs officials at Manchuli, and one was shot to death. One of the incidentals of the uprising was that a commercial air plane was shot down by men under General Chang Tien-chung in the vicinity of Chantzeshan railway station. Four barracks of the Manchukuo troops were bombarded and destroyed and the soldiers disarmed. Hailar, one of the stations of the line, was put under martial law. The telegrams from Japanese sources continually speak of the danger to which Japanese residents are subjected. A Tokyo telegram intimated that the military authorities in Japan were prepared to take "more vigorous measures" if General Muto, Japanese commander in Manchuria, should make such a request.

However, it appears that the Japanese Kwantung garrison is holding off dispatching troops to Manchuli, fearing that such action might have unfavorable repercussions on Soviet sentiment, although a force is being held in readiness in the event that any doubt arises as to the loyalty of Gen. Shu Ping-wen, the Manchukuo commander in that region. According to the Russian press in Harbin, the Governor of Heilungkiang has presented an ultimatum to General Shu Ping-wen demanding that the mutiny must be liquidated within 48 hours, all the ringleaders arrested and all the arrested officials, military and civil, be released. He also demands adequate protection for Japanese and other foreigners residing in the affected area.

A telegram from Peiping October 2 stated that General Shu Ping-wen, Garrison Commander of the Hailar-Manchuli Area, assumed his new duties as Commander-in-Chief of the Heilungkiang National Salvation Army at Manchuli several days previous to that date. The Central Military Affairs Commission in Nanking October 2 received a telegram from its Peiping branch Commission reporting that the vanguards of the Heilungkiang units under General Ma Chan-shan were heading for Harbin while those under Generas Shu Ping-wen have been mobilized at Hailar. A general offensive on Harbin was announced to be launched as soon as General Shu's units could reach their designated positions. In view of the menacing situation along the western section of the Chinese Eastern Railway, Chinese reports stated that the Japanese military had made plans for abandoning Heilungkiang province, but were intent on holding Harbin, which is their base of operations in North Manchuria.

After reaching Fulaerhchi, 8 miles west of Angangchi, the vanguards of the Heilungkiang Salvation Army under General Shu Ping-wen, crossed the lower reaches of the Nonni river to attack Angangchi. On the morning of October 1, the anti-Japanese-Manchukuo troops clashed with the Japanese. General Chang Tien-kiu, Commander of the 1st Brigade, directed the operations at Fulaerhchi. As a result of arrangements with General Shu, General Ma Chan-shan ordered a general mobilization of his units with a view to recovering Tsitsihar. Three brigades under Generals Tsai Hung-yu, Po Ping-san and Wu Sung-lin are advancing rapidly towards Tsitsihar, which is being garrisoned by units of the 2nd Japanese Division under Lieut.-General Tamon. The Japanese brigade under Major-General Hiraga at Angangchi has been transferred back to Liaoning by order of General Muto, the new Japanese Commander-in-Chief.

Chinsi, an important city in western Liaoning, was again taken by the Volunteers under Keng Chi-chou last week. Two Japanese officers in the city were captured. The headquarters of the Volunteers under Keng Chi-chou were re-

moved from Hungloshan to the walled city of Chinsi. Kaochiao and Lienshan, stations on the so-called Mukden-Shanhaikwan Railway, were also captured. The Volunteers likewise occupied Suchiatun station temporarily but had to retreat upon arrival of Japanese reinforcements. Chinese Volunteers in northern Liaoning also occupied Tuchuan, Tao-an, Tailai, Chentung and Kaitung. They also made an attack on Taonan, the junction of the Ssupingkai-Taonan and Taonan-Angangchi Railway. Taonan is garrisoned by six Japanese regiments. Yangchuantse station, on the so-called Mukden-Shanhaikwan Railway, was occupied by 2,000 Volunteers under Chao Pao-chi. Another Volunteer unit under Tung Yung-chu stormed Kowpangtse station on September 29. Kowpangtse is at the junction of the so-called Mukden-Shanhaikwan Railway and the Yingkow-Kowpangtse branch Railway, and was occupied by 9,000 Volunteers under Tung Yung-chu October 2. The fighting which started on September 29 between the Volunteers and 5,000 Japanese and Korean units at Kowpangtse continued for three days. The Chinese put up a stubborn resistance despite the bombardment by Japanese artillery and airplanes. At 10 a.m. on October 2 the militia corps of the town rose up in sympathy with the Volunteers. Simultaneously, 3,000 Volunteers under Mu Hua-nan arrived to reinforce the attackers. The Japanese were thus compelled to retreat eastwards, leaving the town to the Volunteers.

⁂

The south-eastern part of the Ssupingkai-Taonan Railway was taken by Chinese Volunteers end of last week. On September 27, 500 Volunteers, in conjunction with Mongolian cavalry units, attacked Taitung and Taipingchuan stations, thus cutting up the Line. Another unit of 3,000 under Shang Tow-kuo also stormed Taipingchuan, which station was occupied on September 28. Suichung, southern Liaoning, was attacked by 200 Volunteers on September 30. Jaoyangho and Paichipao stations, on the so-called Mukden-Shanhaikwan Railway, were also raided by the Volunteers under Sun Kuo-shu. Volunteers along the Tahushan-Tungliao Railway have captured Changwu and are making for Heishan.

⁂

A telegram from Peiping, September 26, stated that Chinese Volunteers in the Chinchow sector had occupied Tayaokou and captured three Japanese machine guns and one Japanese flag. Six Japanese planes were despatched September 25 to bomb the Volunteers at Hungloshan, the base of operations of the Volunteers in western Liaoning. Several sections of the Chinchow-Chaoyang branch Railway were torn up by the Chinese Volunteers. Volunteers under Sun Chukuo and Wang Yung-te stormed Paichipao station on the so-called Mukden-Shanhaikwan Railway early last week, when 12 Japanese were killed.

⁂

The 39th Japanese regiment attached to the 10th Division under Lieut-General N. Nirose has been despatched via the Kirin-Changchun Railwal to recover Kirin city which was taken by the Kirin Self-Defence Army under General Feng Chan-hai two weeks ago. The Japanese are equipped with six heavy guns and four airplanes. Japanese airplanes are conducting daily reconnaissances over Kirin city. Traffic on the Kirin-Changchun Railway is still suspended. 30,000 men of the Kirin-Heilungkiang People's Army, recently organized in those two provinces, are reported to be very active along the Sungari River. They are reported to have captured Payen, Mulan, Tungho, Pinchow and Yenshou.

⁂

Another severe attack on Mukden was launched by the Chinese Volunteers on the night of September 26. The main attack was against the Great Eastern and Great Northern Gates. Machine guns and rifles rattled throughout the night. A part of the Volunteers rushed to the airdrome on the eastern outskirts where they killed three Japanese officers besides capturing a number of the soldiers, two airplanes and a large quantity of ammunition. They then withdrew with their booty. The Volunteers north of Mukden, numbering 1,000 men, also raided Tiehling city, on the South Manchurian Railway, at 9 p.m. the same day. They retreated upon the arrival of Japanese reinforcements.

The Spy Scare in Japan

Japan has an epidemic of a new kind—a spy scare. The *Kobe Shimbun* says that the headquarters of the Gendarmerie in Tokyo has decided to increase the staffs of local gendarmeries in order to cope with the growing activities of foreign spies. The paper says that since the middle of last month spies of a "certain country have been detailed to Tokyo and many other places," and makes mention of the photographing case of a branch of a "certain bank." Recognizing the inadequacy of the present control over foreign spies, the authorities concerned have decided to appoint additional officers and non-commissioned officers exclusively concerned with foreigners to the gendarmerie corps at Tokyo, Yokohama, Nagoya, Osaka, Hiroshima and Kurume. It is further alleged that large sums are being spent by a certain country for espionage purposes. The authorities of the Gendarmerie are credited with the intention of dealing sternly with such traitorous Japanese as may be found to be bought over or exploited by foreign spies. It is alleged by the *Shimbun* that an official of a certain country, provided with a map and a compass, made a 5-day journey on foot last week along the Inland Sea, making minute investigations into the coast line and fortified zones. A certain Montreal (Canada) concern approached the Yokohama Chamber of Commerce and Industry some time ago with a request to look into fuel supplies in Japan, just for economic information. A certain firm in Kobe has made investigations into railway transportation capacity—and so on.

[The *Japan Chronicle* in giving the "whole story," of which the above are only extracts, heads the article, "It's You They Mean."—Ed. *C. W. R.*]

Soviets May Precipate Oil War in Manchuria

It is reported from Japanese sources in Mukden that in pursuance of its policy to oust American and British oil interests and to acquire a market for its oil products in South Manchuria, Soviet Russia will shortly take positive steps to export its oil products there. Dairen will be the port of discharge for these Soviet oil products, where 200,000 barrels of petrol are said to have already been shipped.

As a result, competition is likely to start shortly between the Soviet oil authorities and British and American firms, such as the Standard Oil Company and the Asiatic Petroleum Company.

A similar contest is foreshadowed in Japan between such firms as the Rising Sun Petroleum Company and the Standard Oil Company. Japan consumes 20,000,000 boxes of gasoline each year, and imports about half of this. As previously reported, a contract for 200,000 tons of Soviet oil to be shipped to Japan was consummated recently.

Mukden "Bombing" Was Complete Japanese Military "Frame-Up"

AMONG the many interesting statements in the official summary of the League report on the Manchurian crisis which appears elsewhere in this issue of *The Review* none is more interesting than the reference to the so-called "Mukden Incident" on the night of September 18, 1931 which precipitated the Japanese military occupation of Mukden. The *China Weekly Review* derives a considerable amount of satisfaction from this phase of the Lytton report because it confirms officially the statement which appeared exclusively in these columns shortly after the incident that the whole Japanese story about the Chinese blowing up the railway tracks near Mukden was a fabrication from beginning to end. The Lytton report naturally used polite terms but the implication is clear—that there was no damage to the tracks of the South Manchuria Railway as a result of the so-called explosion. Said the report,

> "The Japanese, as was explained to the Commission in evidence, had a carefully prepared plan to meet the occasion of possible hostilities between themselves and the Chinese.
>
> "On the night of September 18, 1931, this plan was put into operation with swiftness and precision.
>
> "The Chinese, in accordance with their instructions, had no plan of attacking the Japanese troops, or of endangering the lives or property of Japanese nationals at this particular time or place. They made no concerted or authorised attack on the Japanese forces, and were surprised by the Japanese attack and subsequent operations.
>
> "An explosion undoubtedly occurred on or near the railroad between 10.00 and 10.30 p.m. on September 18, but the damage, if any, to the railroad did not in fact prevent the punctual arrival of the south-bound train from Changchun, and was not in itself sufficient to justify military action.
>
> "The military operations of the Japanese during this night cannot be regarded as measures of legitimate self-defence.
>
> "In saying this the Commission does not exclude the hypothesis that the officers on the spot may have thought they were acting in self-defence."

What happened of course was that the Japanese military authorities had been counting on the so-called Nakamura case supplying the "cause" or incentive for the contemplated military adventure, but much to the surprise (and doubtless disappointment) of the Tokyo General Staff, the Chinese made haste to settle the Nakamura case to the complete satisfaction of the Japanese consular authorities who undoubtedly were desirous of avoiding a clash. The Nakamura case referred to a Japanese espionage officer who had been sent several weeks previously by the General Staff to the border between Manchuria and Mongolia. Nakamura was in civilian attire and carried a travel-pass from the Chinese authorities which had been issued on the supposition that he was a "scientist." When the Chinese military discovered his real identity they arrested him and found him in possession of maps and a large quantity of heroin. He was ultimately executed, announcedly as he was trying to escape. The Japanese military made much of this case, even going to the extent of distributing leaflets from military airplanes in Japan as a means of stirring up the Japanese people against Tokyo civilian officials who were trying to adjust the incident in a peaceful diplomatic manner. The Chinese were slow in investigating the Nakamura incident, but finally announced to the Japanese Consul-General in Mukden on September 15 that the Chinese soldiers responsible for the shooting of Capt. Nakamura had been arrested and brought to Mukden for trial and punishment.

Picture Courtesy China Press

Lord Lytton, chairman of the League of Nations Commission of Inquiry in Manchuria whose report has just awakened reverberations around the world, is shown above with members of the commission inspecting the scene of the alleged explosion on the South Manchuria Railway above Mukden that started the Japanese on their military occupation of the country in September, 1931, and provoked the whole series of events of which the report is one of the outstanding phases.

The Japanese military officers, particularly staff officers attached to Gen. Honjo's headquarters, at Mukden, were infuriated at the settlement of the Nakamura case because secret orders already had been issued for the occupation of Mukden and other South Manchurian cities. The Japanese staff officers therefore had to hurriedly "frame" another incident in order to justify their contemplated intervention, so the so-called "bombing" of the S. M. R. tracks just outside of Mukden was planned—and carried out. Just what occurred on the night of September 18 probably never will be known, but the official Japanese *Rengo* news service broadcasted a dispatch from Mukden early on the morning of September 19 alleging the Chinese soldiers had "blown up a bridge" near Mukden. However, this was later corrected to the effect that a section of the S. M. R. tracks had been blown up. About ten days after the

incident when foreign newspaper correspondents and foreign consular officials representing the League began to gather in Mukden, the Japanese escorted numerous officially-sponsored parties to the scene of the incident, but all the Japanese military officers had to display was a new rail which had been inserted in the tracks and some miscellaneous scraps of iron consisting of pieces of rails, damaged fish-plates and splintered wooden ties which might have been collected in any railway repair shop. Also the Japanese kept on exhibition for several weeks the bodies of two or three Chinese soldiers who allegedly had been shot on the night of the incident as they were running away from the scene of the "bombing."

None of the Europeans or Americans who visited the scene believed the story (or stories) told by the Japanese military officers and one correspondent wrote a long descriptive account for an American newspaper which showed conclusively that the incident was a complete "frame-up" and either didn't happen at all, or if there was an explosion it had not been sufficiently serious to damage the tracks. Also, much doubt was expressed that any Chinese soldier would have been guilty of such an act for the place where it allegedly occurred was within a stone-throw of the Chinese military barracks, hence would have implicated the Chinese troops immediately. Obviously the Chinese troops were under strict orders not to do anything likely to provide the Japanese with an excuse for military action.

In all of the reports which the Japanese military officers issued regarding the incident, they explained that the alleged explosion occurred while the Japanese were conducting their so-called "night-manouvers" within a few hundred yards of the scene. What the Japanese were doing in holding "night-manouvers" in Chinese territory and adjacent to the Chinese military barracks is only explained on the grounds that they were rehearsing the military intervention which already had been ordered. The Chinese, of course, were aware of the manouvers and had ordered their soldiers to remain within the barracks—which is another reason for doubting the Japanese story of the Chinese bombing of the S. M. R. tracks.

It remained, however, for one of the American observers attached to the Lytton Commission to "explode" the story of the Mukden bombing. He did it by the simple expedient of referring to the official S. M. R. time-table which showed that a passenger train had passed the spot only a few minutes after the time when the Japanese military claimed the tracks had been blown up. After finding out definitely that the train had passed the spot without mishap, the League investigator then went back to the Japanese staff officers and inquired how it was possible for a train to have crossed the damaged rail without an accident. The Japanese reply to this was that the train had "hurdled" the break in the rail, which allegedly was between two and three feet in length. Since this was an obvious impossibility, the whole Japanese story was put down as a fabrication from beginning to end, with the possible exception that an explosion of some kind may have occurred in the vicinity. However, a number of Chinese farmers who lived within a few yards of the track and were at home asleep on the night of September 18 testified that no explosion had occurred.

That the so-called Mukden "incident" was framed by the Japanese military officers on Gen. Honjo's staff is known in Japan, was indicated in a recent address by Dr. Tadao Yanakawa, a member of the House of Peers and a leader in the Japanese League of Nations Association. Dr. Yanakawa declared in his address, "It is now known that the bombing of the S. M. R. tracks at Mukden on the night of September 18 last year was not done by the Chinese troops, but by the Japanese." This statement, which was quoted in the newspaper reports circulated by the official *Rengo* and *Nippon Dempo* services naturally created a serious stir in Japanese military circles and Dr. Yanakawa ultimately, in order to avoid assassination, had to retract his statement.

There also was an interesting reference to the Mukden incident in the transcript of conversations between Gen. Frank McCoy and Count Uchida, Japanese Foreign Minister, which was issued through the French *Havas* service and published in Shanghai on October 3. The reference was to the following effect,

> "Gen. Frank McCoy, the American member of the League Commission said to Count Uchida: You speak of national defence and of the vital interests of Japan which are menaced. But the investigation which we have made on the spot proved to us that there is no room to speak of the free will of the population. It can certainly be said that no menace against Japanese interests exists in Manchuria and it is impossible to represent the acts of the Chinese on the night of September 18 as the culminating point of such a menace. As you well know, the Chinese army had received orders to abstain from an aggression toward the Japanese. China and the U. S. S. R. also have vital interests in Manchuria which we must necessarily take into account. The rest of the world will feel that by recognzing Manchukuo, Japan would violate the League Covenant and the Nine-Power Treaty and the Kellogg Pact which you signed...."

Recently one of the Russian newspapers published at Habarovsk, Siberia, printed a picture of the Soviet fleet of river gun-boats which is stationed on the Amur River adjacent to the mouth of the Sungari River which leads to Harbin where the Japanese have their chief north Manchurian garrison. In connection with the picture was an interview with Gen. Blucher, commander of the Soviet Far Eastern "Red" Army, who explained that it was necessary for the Russians to be constantly on guard day and night because of their anxiety over the possibility of a surprise Japanese military move into Russian territory. Gen. Blucher then referred to the Japanese occupation of Mukden without a declaration of war and also called attention to the incident in the Russo-Japanese War when the Japanese fleet opened fire on the Russians several hours before the official declaration of war.

It didn't require the statement of Gen. Blucher to emphasize the dangers which exist in the world so long as the present military system is maintained in Japan. Articles dealing with the governmental system in Japan which have appeared in *The Review* recently have shown that Japan is almost completely dominated by a military clique which is responsible to no one and to quote again the words of Dr. Yanakawa, "the Japanese militarists are accustomed to taking rash action." In practically all countries the military authorities are subordinate to the civilian officials and are by law prevented from taking

action in foreign affairs without orders from the civilian diplomats or parliamentary officials in the home country. But in Japan it is the other way around. The military is supreme and is accustomed to taking action and then putting it up to the civilian diplomatic officials to explain and excuse the action afterward. The latest example of this situation in Japan was the recent appointment of Gen. Muto a high military officer as "Ambassador" to Manchukuo, the General Staff's object being obvious: the paving of the way for ultimate annexation of Manchuria to the Imperial Japanese Empire similar to the steps taken in Korea a quarter of a century ago.

Unless the United States in association with the League or otherwise, is able to bring the Japanese militarists to their senses on the present Manchurian issue, there obviously can be no peace in the Pacific for as the situation stands today in the light of what happened at Mukden (also at Shanghai) there is nothing to prevent the Imperial Japanese fleet from steaming into Honolulu, Manila Bay, Seattle, San Francisco or Hongkong on a "friendly" visit and then beginning to shoot up the place similar to what occurred at Shanghai on the night of January 28 last! Sufficient has happened in the Far East within the past year to convince the most skeptical that the Japanese military oligarchy cannot be trusted and that there can be no permanent peace in the world until the Japanese people bring their war-lords under constitutional control!

"Red" Leader Ho Lung Surrounded by Government Troops

A Hankow telegram Oct. 3 stated that it is now definitely established that the notorious "Red" leader, Ho Lung, is surrounded in the vicinity of Maliangping and Yangping, in western Hupeh. His capture is expected shortly. Government troops engaged in the anti-Red campaign in Hupeh continue to meet with success. Despatches received from the southern Hupeh front indicate that several strategic towns east of the Canton-Hankow Railway were captured in the last two days, including Yanghsinchen, Taipingtang, and Tzukowchen. In the meantime, all traces of the bandits in the entire Hung Hu (Lake) region have virtually disappeared. General Chang Chen-han, Commander of the 41st Division who participated in the Hung Hu campaign, reports that the western shore of the lake is clear and that communications on the lake itself are now unimpeded by any outlaw activities. The organization of local militia corps is also being completed. During recent operations on the lake, the Government units captured altogether over 7,000 rifles, 60 machine-guns, and 30 trench-mortars, besides large quantities of military supplies stored in the bandit camps. A number of important leaders of the "Red" movement in Hupeh has been captured. Five of them, including the so-called Chairman of the "soviet government" at Mienyang District, were summarily executed.

A telegram from General Chang Chen-han, Commander of the 41st Division, states that more than 30 bandit officers were arrested and shot by his units last week.

The crack 10th Division under Gen. Li Mo-an has defeated the "Red" outlaws at Lungmenshih and Yentsehai and advanced to Sichienling, northern Hupeh. The Division is now engaged in a fierce battle with the so-called 4th and 25th "Red" armies. In southern Hupeh, the units under General Kuo Ju-tung and Chang Kang have occupied Hsintanpu and Yanghsinchen and are pressing on the bandit lair at Lungkang. The 44th Division under General Hsiao Chih-chu, suppressing the remnant bandits under Wang I-ming, has captured Sanyangtien, central Hupeh, according to another report.

Another "Red" stronghold is Lienhuashan, western Anhwei, has been occupied by the 3rd Route Army under General Wang Chun. In an official telegram, General Wang reports that the 7th Division under his command and the 12th Division under General Tseng Wan-chung jointly captured the mountain retreat after two days of severe fighting. A number of the outlaws was killed and 20,000 hostages were rescured.

General Hsu Ting-yao, Commander of the 4th Division, also reports that his division has seized 1,000 rifles, 4 machine guns and 6 trench mortars from the bandits in the hills neighboring Chinchiachai, on the Honan-Anhwei border.

Demoralization in Fukien Province

Recent telegrams report a demoralized state of affairs in Fukien province. Reporting on the trouble there in a telegram to the Executive Yuan, General Chiang Kwang-nai, Director of the Foochow Pacification Headquarters, states that the Fukien provincial units under the corrupt general Chen Kuo-hui, at Hui-an and Anchi have been disarmed. General Tsai Ting-kai, Commander of the 19th Route Army, is proceeding to Chuanchow from Changchow to assist in the disarming of the rest of the malcontents. According to a Foochow message, the 1st Fukien Provincial Brigade formerly under Chen Kuo-hui has been reorganized into two regiments. A military court has been formed by the Foochow Pacification Headquarters for Chen's trial.

In the meantime, Major-General Hung Wen-te, Acting Commander of the 1st Fukien Provincial Brigade, after receiving instructions from General Chang Kwang-nai, has left for Sienyu to assume charge of the units newly placed under his control.

Lin Sen Goes to Foochow to Discuss Fukien's Re-organisation Plans

Lin Sen, Chairman of the National Government, proceeded to Foochow during the week, after having been under medical treatment here for several days. The announced purpose of the aged Chairman's visit to the South was to discuss the re-organisation plans of the Fukien Provincial Government. It will be remembered that Generals Chiang Kwang-nai, the Commissioner of the Fukien Pacification Committee, and Tsai Ting-kai, Field Commander of the 19th Route Army, had came up North from Fukien several weeks ago. While in Nanking they held conferences with Lin Sen. It is generally believed that General Chiang Kwang-nai will be made the Chairman of the Fukien Provincial Government.

General Chiang Makes Appeal for Contributions

A powerful appeal for financial contributions to relieve the impoverished masses in the regions devastated by Communist banditry was made by General Chiang Kai-shek, President of the Military Affairs Commission and Commander-in Chief of the Bandit-suppression forces in Hupeh, Honan and Anhwei, in a recent circular telegram issued at Hankow to the nation. The message depicts in graphic terms the scene of desolation which the bandit scourge has left behind. The following are some of the points mentioned in the telegram:—

There is not a single house which has not burnt, a single tree which has not been felled, nor are there any livestock or farm cattle which have been spared.

According to reports from the various commanders at the front received during the past fortnight or so, all the once populous and flourishing cities such as Shangchen, Kwangshan, Kushih in Honan; Licun, Hwokin, Yingshan and Kwoshan in Anhwei; Huangan, Macheng, Lotien, Mienyang, and Kienli in Hupeh; which have recently been recaptured from the marauders, have become heaps of ruins. There are no signs of human habitation, except the wailings of the helpless refugees. In some extreme cases, thousands of famished refugees, stricken by cold and hunger and huddled together along the streets, have prostrated themselves before the Government forces praying for succor. I have telegraphed to the three provincial governments concerned to raise funds and food supplies for the relief of these refugees: I have also caused to be promulgated and put into effect measures for a reduction of farm taxes in the stricken regions in order to facilitate the task of rehabilitation.

However, these newly recovered cities have long been subjected to the scourge of the marauders. The havoc which

has been wrought is therefore deep-rooted and difficult to repair. Moreover, in view of the large numbers of those in need of relief and the vast extent of the areas which have been devastated, the amount of funds and foodstuffs which the local Government authorities are in a position to raise will necessarily be inadequate. As soon as winter sets in, the deaths from cold and starvation will mount rapidly.

Civil War Again Threatens in Szechuen

Persistent rumors of a renewal of civil war in Szechuen among the rival military leaders there has once more drawn public attention to affairs in that distant province. According to the latest information available in Nanking the troops in Szechuen now total 300,000 men. Since the establishment of the Republic in 1911, *Reuter* points out that no less than 477 civil wars have been fought in Szechuen. It is estimated that the people of Szechuen have to pay yearly $215,000,000 towards the maintenance of these troops.

The most powerful military leaders in Szechuen both bear the same surname, Liu. One is General Liu Hsiang, commander of the 21st Army Corps, the other General Liu Wen-hui, commander of the 24th Army Corps, and concurrently Chairman of the Szechuen provincial government.

General Liu Wen-hui has 86,432 officers and men under him, including seven infantry divisions, 11 mixed brigades, 5 infantry brigades, and 5 special corps. His rival, General Liu Hsiang, has 79,300 officers and men, including 3 infantry division, 1 model division, 1 training division, 8 mixed brigades, 1 heavy artillery corps, 1 machine-gun corps, 11 air-planes, and 7 special corps.

Newchwang Victims of Bandits Still Being Held

The two British subjects, Mrs. K. Pawley and Charles Corkran, who were kidnapped by bandits at Newchwang, more than a month ago, are still in the hands of their captors and absolutely no progress has been made toward their release. The bandits have been making demands that may be described as fantastic and have threatened not only to mutilate but to kill both of their captives unless their demands are met. The Japanese authorities several days ago gave assurances that their negotiations for the release of the two Britons would soon be successful, but later announcements gave no hope of fulfillment of this. Instead the Japanese authorities announced that an entensive bandit drive would be carried out to the east of the S. M. Railway, carefully avoiding the Newchwang region, however, so as not to give the captors of the two Britons an excuse to kill their victims. It is only at this late date that a complete account has been made public of the details of the kidnapping. The account pays a tribute to the bravery of Mrs. Pawley, who was born in Newchwang and speaks Chinese fluently.

Teachers and Pupils Go on Strike in Peiping

The students of the Peiping National University declared a three-day strike Sept. 28 as a demonstration against their president, Dr. Chiang Mon-lin, for his refusal to permit deferred payment of tuition fees. When the demand was presented Dr. Chiang refused to consider it, maintaining that students upon registration must pay the usual fees. Thereupon, the students became violent and surrounded the president's office. At a meeting of the faculty it was decided to dismiss nine students alleged to be ringleaders in the agitation. Teachers of the Municipal primary schools in Peiping at the same time initiated a "go-slow" movement to press for payment of arrears of their salaries. The authorities replied that if the teachers persist in their attitude the schools will have to be closed down temporarily pending reorganization.

Modern Banking in Chekiang Province

Thirty-five modern banks are doing business in the province of Chekiang, according to the latest survey made by the Provincial Authorities. Apart from branches of the Bank of China, the Bank of Communications and several other Shanghai banks, most of them operate on a comparatively small scale. Over twenty are situated in Hangchow, the rest being scattered throughout the important districts of the province. The Bank of China has 12 branches in Chekiang and the Bank of Communications three. The Chekiang Provincial Bank likewise has three branches.

Do Boycotts Teach?

The following are extracts from a speech delivered by M. T. Tsao, of the Continental Bank, Ltd., Tientsin, before the Tientsin Rotary Club, September 15.

We have had 12 boycotts since 1905, out of which one boycott in 1905 was against America, one in 1925 was against England, and the remaining ten were all against Japan. . . Boycotts have shown us that we as a people do not have the will or determination not to buy Japanese goods. Most of the boycotts were of short duration, and were intense in certain localities and half-hearted in others. During some boycotts trade with Japanese actually expanded, notably in 1919, 1925, 1928, although such expansion of volume could in part be explained by other factors. I am forced painfully to admit that the reasons for the lack of will or determination on our part are, firstly, because of the peculiar feeling which many of us have that foreign goods and service are superior to our own. Even our educated and well-balanced men buy foreign goods and service in preference to our own. And secondly because our masses, not understanding the meaning of patriotism quite naturally follow the dictates of economics and buy only that which is the cheapest and the best. The boycotts also show that we lack the capacity to organize on a large scale, not because we do not have the knowledge, but because we cannot see eye to eye with the reponsibilities which a public position exacts.

Ever since the China-Japan War in 1894, we have not resorted to arms to defend our national honor, although almost every one of the reasons for the ten boycotts could be a *casus bellum*. During the 24 years since the first boycott in 1908 our different military leaders have gathered huge groups of men in uniform with out-of-date rifles and guns, going about exterminating each other. We wage wars against the so called communists when we know that with a government which can permit people to live and work peacefully these elements will voluntarily disappear; that by fighting them by arms simply creates or aggravates the causes for unrestfulness and rebellion. But to fight for our land or for our national honor against a foreign aggressor—the thought is foolish. The attempt is foolhardy, and too risky. We acquiesce and cower before foreign aggression. We are so accustomed to shameful subterfuges that the resistance given by the 19th Route Army appeared almost a miracle. While we are all glad of the exhibition put up by the 19th Route Army in Shanghai because by it we see that all is not yet lost, still we must face the fact that we are sadly unprepared for national defence.

One other object of the boycotts is to protest against the weakness or corruption of our officials. I think our accomplishment in this direction is a naked zero. To-day the most deplorable state is that officials who want to do their work conscientiously and honestly will usually find themselves blocked, or even out of a position in short order. Surrounded with destructive forces, even the ones highest in authority, with the best intentions to unite the country and to develop her industrially, find the task very difficult and the obstacles hard to surmount. Our politicians habitually dream the hallucinations of an opium smoker, and sing the sweet songs of lullabies. We hear evasive words, irresponsible words and philosophical words. We catch slogans after slogans. We hear there are complete plans to do this and to do that. But these are as far as the work of our politicians go.

If we have no other means to vindicate our injuries, then let us use the boycott as a weapon. But let us use it with determination. Let us organize on an effective and extensive basis. Our bankers, industrialists, merchants must all get together. But at the same time let us not forget that the boycott is a weapon adopted only by weak nations. Let us not go on with the delusion that when boycotts are carried out on a large scale, the resulting conflict can stop short of violence.

U. S. Expert Predicts Big Development of Farming in Manchuria

A bright future for Manchukuo as an agricultural country, if peace and order can be maintained, is foreseen by Charles J. Gloeckler, factory representative of the J. I. Case Company, American farming machinery manufacturers, who is now in Tokyo on the last leg of a two-year trip around the world. Mr. Gloeckler in an interview cited Japan's development of Hokkaido as the outstanding example of the ability of the Japanese in large scale farming and he saw no reason why the same success should not attend their efforts in Manchuria.

Japan's Next Hurdle Is League Assembly

(From the Review's Tokyo Correspondent)

THE special session of the League Assembly is, by all indications, to be held about the middle of November.

The coming session is of grave significance to both the League and the parties involved, because the Assembly is to say the last word on the Sino-Japanese dispute based on the Lytton report. Since Japan recognized Manchukuo the nation's attention has been turned toward Geneva as a matter of course, and it seems the thinking Japanese cannot free themselves from a nightmare of a storm raging over the epochal session in spite of their professed firm stand.

The Cabinet's decision is in all appearance to be regarded as represented by Army Minister Araki's delaration made in his interview with the German and Dutch correspondents on September 22. His remarks were something like the following.

Japan will never withdraw from the League. The world knows that her ten years' untiring efforts in helping the League in matters quite alien to her, bespeaks her principle of establishing the world peace. On coming face to face with the question of life or death she was unfortunately greeted by the lack of recognition of the League. It is indeed a question whether the League of today can be considered as a full-fledged world's peace making organization. It would seem Britain, France, Germany and Italy are all leading astray the fundamental spirit of the League as they judge affairs according to their own advantages; even the affairs in the Orient would seem to be swayed by European convenience. Yet, Japan will never quit the League. Instead, she is determined with utmost efforts to build up the League worthy of its mission. If, however, the League should fail to sympathise with the Japan's sincerity and to live up to its original spirit, that is, should all means and measures of innovation and improvement of the League bear no fruit, Japan would proceed to establish in the Orient another league of nations. The world peace does not consist of the peace of only Europe and America.

Japanese Press Opinion

As in the case of any diplomatic question of importance the Japanese daily papers now hold similar views on the attitude the people must assume against the League, and it would be too prosaic to display all these splurges here. In a country like Japan where centralization of power wields great influence what is adhered to by one or two leading papers is generally followed by less influential ones. This is almost invariably the case with diplomatic problems. For this reason I can safely introduce here as the consensus of the Japanese pressdom leading articles of the *Osaka Mainichi* and the *Tokyo Nichinichi*, the gist of which follows.

On the ground that it will take some time to complete its statement on the Lytton report, the Japanese Government is said to have requested the postponement of the opening of the special session, but since the League wants it opened soon there is no need of it. We are rather in accord with the League's view because in view of the changed condition of the so-called Sino-Japanese dispute "Yes" or "No" will be sufficient to settle it. It is reported that our Government aims at inducing the League to approve Japan's recognition of Manchukuo. This indicates that whatever may happen Japan will never change her attitude. Indeed, Japan is decided to bravely follow the course of her own designing as far as the recognition of Manchukuo is concerned. This policy of our Government we heartily support. Also we support the Government in its attitude of avoiding any cause of disturbance in the League atmosphere adopting a plan of logical persuasion, justifying our action. The duty of the League lies in creating universal peace and therefore applying a just and proper means of solution to all international differences. That international relations cannot be adjusted by mere legal views alone and are subject to all sorts of complicated conditions is a fact known to everybody. The League's decision must be made with these facts in mind. Manchukuo became independent by the free will of the people. China has had no real power to control Manchuria. Japan has the greatest concern in Manchuria and the welfare of that country is of vital interest to her. The independence of Manchukuo and our recognition thereof stand upon these cold facts. Should the League members realize this situation, their conclusion cannot be other than one of approval for the action taken by this country. What remains for us to do, then, is to enable the League members to obtain a correct view of the affair. Only, the Japanese delegates at Geneva should, at the same time, show all that the course taken by Japan will never be altered and that in this connection, no obstacle is too great for her to meet. With this understanding, we support the policy of our Foreign Office toward the League of Nations.

A Study on Possible Withdrawal from the League

Dr. Nobuhumi Ito, Vice-Chief of the Secretariat of the Japanese delegation to the League of Nations, who left Japan for Geneva via Siberia on September 17, states his view on the above topic in the October number of the *Keizai-Ohrai*. He begins his lengthy article with the cause of League's coming into existence, but for brevity's sake this and other less important parts have been extremely condensed in the following summary of the text.

The League of Nations is an embodiment of the peace-loving nature of human beings after the great tragedy of blood of the European War, and is a product of the present age. Consequently, it is not born of an eternal ideal nor founded upon the profound eternal truth, but a historic phenomenon of the human love of peace based on the present age. Such a phenomenon is not a characteristic special to the present age. The movement after the Napoleon war for re-establishing peace conducted by the European nations which long suffered unbearable inconvenience and death agony is another historic phenomenon. In this case the result of the movement came out in the form of the Holy Alliance in conformity to the culture in that age. It is, nevertheless, quite the same in spirit as the League of Nations. In short, the League of Nations is the European nations' expressed hope that their innocent off-springs may be immune from such calamities they had been subjected to during the four years' carnage. Only, the expression is of British and American thoughts.

The European peoples are naturally quite earnest in placing great confidence in the League. Although it is a question whether or not the League is worthy of their confidence, yet the world is amply supplied with examples that even questionable things may become influential through being believed in by the people. In the political circles of Europe the politicians understand the fact that no state policy could be carried out in disregard of this confidence the people have in the League, and they are sparing no efforts in their attempt in making use of the League in such a way as to meet the people's expectations.

Now, as to the conditions in Japan, it seems there is an entirely different phase. The perceptage of her contribution to the War can never be compared with those of the countries in Europe. Far from experiencing calamity Japan amassed no small profit during the struggle. On the whole we may safely judge that not a bit of pathos and sanguinariness of the War reached the Japanese shores. That as the natural consequence she did not feel the necessity of the formation of the League of Nations, constitutes a most important prelude in going further into the question now discussed.

The true state of things in Japan was exactly as stated above; therefore, when the League made its first appearance the attitude of Japan was apparently lukewarm following the footsteps of other countries. For form's sake, as it were, Japan cast in her lot with the League, and ever since she has behaved in the same spirit. In other words, people in Japan have taken the League as an institute of European nations and therefore bearing no direct connection with their country. This conception evidently cut the enthusiasm of the nation toward the League.

The idea that the League is an institute special to Europe has on the other hand nurtured a conception that affairs in the Far East are outside the area of League's activities. Especially, in the case of the China questions, the people seem to have considered it their duty to settle them between China and their own country completely ignoring the existence of the League. Grown up in such a conception the people neglected to enlighten the League to the special nature of the Far Eastern political atmosphere or the peculiarities attending the Sino-Japanese questions.

Japan attached no weight to the League as was already enumerated; and in the same way Japan, it looks, has been lacking in interest in the study of the League and its Covenant.

When, at the outbreak of the Manchurian Incident last year, China brought the Sino-Japanese dispute before the League Council and the Council decided to take it up for discussion, Japan could not help regarding the steps

with great dissatisfaction. In view of the aforementioned attitude of Japan toward the League this sentiment on her part is but natural. Those who have sufficient knowledge of how the League came into existence and what attitude the Japanese people assumed will never be surprised at the displeasure and dissatisfaction with which Japan viewed the League. The so-called question of Japan's withdrawal from the League of Nations is to be regarded as the culmination of this sentiment aggravated with the development of the Sino-Japanese question.

There are diverse opinions in our country as to whether, from the viewpoint of her own benefit, Japan should quit her position in the League or she should remain a member as hitherto and continue carrying out her policy. It may be that the withdrawal is compelled by her political necessity, because the politics is carried into effect more often than not by passion and power. As to whether or not it is advisable for Japan to leave the League, it is absolutely necessary first of all to study the views of those who disfavor the withdrawal and to weigh with utmost prudence whether or not it would be beneficial to her to persuade herself to leave the League even in the face of what they might consider as plausible opinions. This is because the argument stuck to by those who are in favor of the withdrawal contains not inconsiderable amount of sentiment, and the contention held by those against it has more reason. It is passion and power that vitalize the politics to real action, yet it is, nevertheless, the duty of wise politicians to study with cool reason the advantage and disadvantage of the question placed before them before it is finally put into practice.

The League, Manchukuo, and Japan

Prof. Dr. Minoru Maita in his lengthy article entitled "The League, Manchukuo, and Japan," states his scholastic opinion in the *Keizai-Ohrai* October number. The passages given below are what is to be regarded as the essence of his argument, that is, what the League is most likely to do.

If I take into consideration the atmosphere created among members of the Lytton Inquiry Commission and the political and diplomatic relations existing among great Powers such as France, Britain, and America, and form my own idea as to the probable attitude the League may take to start with, it is something like the following.

1. The League of Nations would not readily arrive at a decision of drafting its own plan for the solution of the Sino-Japanese dispute as stipulated in Art. 15, clauses 4 and 10. These measures were supported by some of the small countries at the League's special session last spring.

2. The League of Nations would as its principle continue holding its old standpoint as far as the application of Art. 15 and the general meeting are concerned, but in practice would use endeavors toward settling the dispute through direct negotiations of the two countries as has repeatedly been insisted by the Japanese delagates since September of last year

3. The League may endeavor to keep the mother country in countenance by investing her with a nominal authority over the new state just like the steps taken by European Powers when similar cases happened in Africa and Europe.

The plan for solving Sino-Japanese disputes formed by the League would contribute to the dispute very little. The plan would never go beyond a written advice as stipulated in Art. 15, section 4; since it is an advice they are not bound to consent to it. Of course, there are different opinions, but so long as there is no clause that a country failing to abide by the advice should be punished, there is no reason whatever why the League should hasten to giving the impotent advice. Despite the tactful campaign of America and the apparent respect to the League Covenant there seems none among the Powers which really intends to go to war; no sign of matured decision of chastising Japan are noticeable yet. To try to defer resorting to counsel offering is therefore but natural for the League of Nations.

Japan's attitude is such, if not necessarily the Oriental Monroe Doctrine, that it hates being placed under the oppressive influence of the European countries from her strong sense of self-respect. While she was strongly opposed to the schedule for withdrawing troops from Shanghai advanced by the Committee of Nineteen, the evacuation carried out at her own free will was so nimble that Powers were more surprised than pleased. At the Washington Conference on the Limitation of Armament held in 1921 Japan refused to refer to the Conference the question of the retrocession of Tsingtao and Shantung. This, however, was easily settled at her direct negotiation with China due to her frank attitude then assumed. Such an attitude must have given deep impression to the Lytton party during its stay in both Japan, Manchuria and China, and naturally was reflected in the members' thoughts. From this reasoning it is only proper and natural for the League of Nations to expect the perfect solution of the Sino-Japanese dispute through direct negotiation of the two countries.

Suppose Japan Quit the League

Toshiro Kishii, head of the Department of Politics of the *Tokyo Nichi-Nichi*, in his article entitled "Japan's withdrawal from the League" discloses his own view on what would follow should Japan fail to co-operate with the League. His name is widely known as the author of "Japan Must Quit the League," in which he denounces Japan's folly in requesting the despatch of the League Inquiry Commission and in losing good chances of severing connection with the League. On the foregoing topic he states roughly as follows.

The readers are requested to note that I am advancing my argument toward what I consider the worst culmination. Should the League pass a resolution distasteful to Japan, and if she is compelled to notify it of her withdrawal or resorts to a similar step by calling back her delegates, what would the League do with its raised fist? As regards placing Japan under restraint after the safe passage of the resolution, the League's judgment would not be enough to decide the question, because there are great Powers whose intentions must first be sounded before the League would finally enter into the economic blockade; Britain, America which is expected finally to co-operate with the League, France, Italy should be duty bound to carry out the resolution, and to do so they ought to be prepared to meet the same result as if they declared war against Japan. Consequently, in respect to putting restraint upon Japan, it is presumed that after Japan's withdrawal each Power would choose a separate course in accordance with its own standing. It must be only after Britain and America had reached decisive determination that the League could place a heavy restraint upon Japan. The world diplomatic conditions and entanglement ought to be clarified before I elucidate and classify the possible movement of Powers.

Russia is not a member state, but her attitude has, nevertheless, an important bearing upon that of Britain and America. In all probability, however, Russia would refrain from standing against Japan because inside she is still unstabilized and moreover there is no prospect of her emerging victorious. Far from it, she would follow Japan in recognizing Manchukuo.

Colonel Stimson's theoretical diplomacy would enthusiastically support the League and willingly join denouncing Japan. Yet, the people would not necessarily be supporters of Colonel Stimson's policy, because in support of his theoretical diplomacy they must be ready for the worst eventuality, that is, war with Japan. This is further endorsed by the plain truth that little or no damage was done to America by the independence of Manchukuo. Added to these, at the Presidential election of this autumn the leader of the Democratic party may come out victorious, in which case America's Far Eastern Policy may undergo a complete change. Stimson's Japan policy would then be buried.

Britain is the most powerful country to bring pressure upon Japan. She is a leading actress on the Manchurian stage. The very fact, however, fetters her free action. Her home political conditions and the European political atmosphere might be against her taking up arms.

France would support the League, but she might not go beyond the resolution of condemning Japan.

As to Italy and Germany they are little interested in the question, and would naturally refrain from going further than the resolution. There are even signs, though indistinct, of their leaving the League following the example of Japan. Summing up all these arguments, even though the League succeeds in passing the resolution of denouncing Japan it would only serve to advertise its own inability i. by gathering all the countries in the world it should fail to place Japan under restraint. This exposure of the League's weak point would finally lead to the down-fall of the League itself. Consequently, therefore, to the League it might be a grave question even to pass the resolution condemning Japan. Needless to say, it would be a still graver question for the League to brew the cause of Japan's withdrawal and thus invite a crack in the League's fortress.

Tokyo, September 30, 1932.

Outlook in Canton after Sun Fo's Departure

(From The Review's Canton Correspondent)

SEVERAL significant developments which have occurred in Canton tend to show that a definite improvement has been shown towards an amicable settlement of all outstanding political issues between the Canton and Nanking Governments. The simultaneous departure from Canton of Messrs. Hsiao Fu-cheng and Teng Tse-ju, members of the Canton Kuomintang Executive Committee and South-western Political Council has brought much relief to the supporters of unification in this troubled country. Both Messrs. Hsiao Fu-cheng and Teng Tse-ju were the prime organizers of the independence movement in May 1931 in opposition to their political enemies in Nanking.

When the Sino-Japanese disturbances occurred in Manchuria in September 1931 and when all over the country there were cries for the immediate cessation of political squabbles to deal with the Japanese these disgruntled politicians remained silent in Canton, preferring to wait for a better opportunity to renew their attacks on their unfriendly political leaders in the North. Despite the strong opposition of these discontented politicians General Chen Ming-shu, and Wang Ching-wei, the present President of the Executive Yuan, T. V. Soong succeeded in carrying through the much needed peace settlement between Canton and Nanking at the end of last year.

Hu Han-min's Role

Recently when Hu Han-min, former Chairman of the Nanking Legislative Yuan, refused to accept the Nanking invitation to become one of the three members of the Standing Committee in the Nanking Central Political Council certain political elements in the South saw in this another opportunity to create another independence in south-western China. To their disappointment Hu Han-min has so far been unable to reach an understanding with the Military Party in Canton under General Chen Chi-tang. The young Commander-in-chief, who succeeded General Li Chi-sen as the supreme military commander in Kwangtung and Kwangsi since 1929, persists in the maintenance of a cordial relation with Nanking during the present juncture of national crisis.

To his close associates General Chen Chi-tang recently made the important statement that as long as Manchuria remained under the rule of the Japanese-inspired Manchukuo he would exercise his military strength to suppress bandits and Communists in south-western China in order that the Nanking Government night be freed from all political worries in the South to deal with Manchukuo both militarily and politically. The official encouragement by the Canton Government of the anti-Japanese boycott, as evidenced by the government's non-interference in connection with the pickets' seizures of Japanese goods in Canton and other Kwangtung seaports and the executions of boycotters who secretly assisted in the smuggling of Japanese goods, is a clear indiation of Canton's co-operation with Nanking in organising the economic blockade of Manchukuo.

Abolition of Independent Councils

Recently when the Military Party under Chen Chi-tang quarrelled with the air force under Chang Hui-chang and the Kwangtung Navy under Admiral Chen Cheh, the government, in supporting the military party to re-organise the Navy and to disband the marines in Hainan, had to spend several million dollars in order to oust Chen Chi-tang's political opponents from their stronghold in southern Kwangtung. The coup was a success for the Military, but the government has since been facing stringent financial conditions.

With the disarmament of the navy in Hainan Chen Chi-tang sees in the present period a great opportunity to reorganise the Navy and Air forces by increasing the fighting machinery in both of these departments of Canton and in this connection he is confronted with the difficult problem of obtaining the required huge amount for this project. A big military conclave with his regimental commander was summoned in which a resolution was reached that in order to save the government more expenses in the political administration, the South-western Kuomintang Executive Committee and South-western Political Council —two semi-independent organs from Nanking established during the independence movement of 1931—must be removed. It is estimated that at least $100,000 can be saved monthly with the abolition of these councils, whose work can be taken over by the Provincial Kuomintang and Kwangtung provincial Council respectively.

Army Funds Much in Arrears

In the same meeting regimental commanders who participated in the anti-Communist expedition in Southern Kiangsi and northern Kwangtung complained frankly on the government's inability to settle their remunerations which are months in arrears in certain cases, in particular concerning payments to General Yu Han-miao's First Army Corps. When the results of this military discussion became known to the political party under Messrs. Hsiao Fu-cheng and Teng Tse-ju, who incidentally support Hu Han-min (who has resided in Hongkong for months since his return to the South from Nanking), Mr. Hsiao was the first to signify his intention of taking a long holiday, presumably to permit the Canton commanders to abolish the South-western Kuomintang Committee and Political Council which he was a member and strong supporter.

Strong rumors prevailed here on the day of Hsiao Fu-cheng's departure for Siam indicating the possibility of a permanent and amicable settlement of the Nanking and Canton issues with the exit of Messrs. Hsiao and Teng who actually signed the first announcement in 1931 of the impeachment of General Chiang Kai-shek. Meanwhile other sources state that Hsiao Fu-cheng visited Siam to negotiate with the Siamese Government hoping to draw up a new commercial Canton-Siam treaty. This report has not been confirmed from reliable sources although it has caused no little amount of speculation. Two days after Mr. Hsiao's departure Teng Tse-ju left Canton; outwardly it is alleged that he is on long leave, visiting the Straits Settlements.

Cantonese Leader and Manchuria

The writer learns from a good source that both Messrs. Hsiao Fu-cheng and Teng Tse-ju are visiting Annam and the Malayan States with the ambitious scheme of securing financial support for Hu Han-min, and their scheming over the formation of another independence movement has not been entirely abandoned. Another cause of their disappointment was the recent failure by these politicians to bring about a combination between the Kuomintang Rightists as represented by Hu Han-min and the Kuomintang Centrists as represented by Sun Fo. Owing to the latter's stubborn inclination to stick to his announced policy for the unconditional resumption of political relations with the Soviet Government as a preliminary step towards effective resistance against further Japanese aggression on Chinese territory in the north-east, Sun Fo's close association with Messrs. Chang Hui-chang and Chen Cheh (who accompanied the former Nanking Executive Yuan President on his trip to Shanghai) and these leaders' constant meetings in Hongkong have also created an unfavorable impression on Chen Chi-tang's party, which sees in the presence in Hongkong of the ousted commanders a possibility to resume civil strife in the South.

That Sun Fo still adheres to the strong policy as outlined by Eugene Chen was confirmed by a statement which he made on the day of his departure from Hongkong for the North commenting on Manchurian events.

Sun Fo considered a war in the Far East inevitable—which would caused the entire crippling of the Japanese military and economic powers and the salvation of the divided China. Sun Fo continued by saying that China's leaders must sink all political differences, and if a united front could be formed there was still a way out for the restoration of the lost territories in Manchuria.

"If the League of Nations cannot settle the question in the Far East," said the son of the late Kuomintang founder, "America will take action against Japan alone. If the Nine-Power Treaty has no effect, war between America and Japan is inevitable. And no matter what the outcome, I expect that Russia would make war on Japan in her weakened state. China's soil will be the battle-ground and she might as well be prepared for it now.

Sun Fo's most significant statement asserts that for the first few years in the Sino-Japanese war, as in the case of the World War when Germany was the victor at the beginning, Japan could have an advantage over China or America, but she must be defeated eventually as Germany was defeated in 1918. Japan will be bankrupt. She will be in worse straits than Germany found herself after the World War of 1914.

In the second part of his statement, Sun Fo deals with the possibilities of the Powers' attitude towards the Manchurian issue. He said: "There are three possibilities. First, Britain remains neutral. France is sympathetic towards Japan, and America stands independent. If the League of Nations can do nothing then America will protest against Japan's actions, under the provisions of the Nine-Power Pact. Should her appeal here fail, war is

(Continued on page 234)

China's Stand Toward Japanese Recognition of Manchukuo

BY PAUL K. WHANG (汪仲芳)

TO RETALIATE against the Japanese recognition of the socalled Manchukuo, the Nanking Government has had two measures under contemplation. The first is the invocation of the Nine-Power Treaty, and the second is the launching of a punitive expedition against the puppet state. The former is another endeavor to beg help of others, while the latter is an attempt to help itself. The one is a diplomatic bickering featured with delay and indecision, and the other is a military adventure, its outcome, victory or defeat, being speedy and conclusive.

Diplomatic notes have already been dispatched by the Nanking Government to the signatories to the Nine-Power treaty calling their attention to Japan's flagrant violation of China's sovereignty, independence, and territorial and administrative integrity. But no definite plans have yet been worked out as to the launching of a punitive expedition. Lin Sen, the Chairman of the Nanking Government, is credited with the statement that "the punitive campaign against Manchukuo may be declared with the issuance of a Mandate." Whether it will ever be declared is problematical. Anyhow, it is safe to say that no military action will be taken before the report of the Lytton Commission of Enquiry is announced from Geneva.

The task of drafting identic diplomatic notes to the parties to the Nine-Power Treaty is not stupendous, and neither is the telegraphic toll to dispatch them to various governments concerned prohibitive. Therefore the government has resorted to it without any hesitation. Probably this is the only course Nanking can pursue at the present time in its desperate endeavor to show to its people that it has left no stone unturned to recover China's lost territories by invoking this treaty and that. But in regard to the launching of a punitive expedition, protracted and adequate military preparations must be required to make it successful. No military action can be taken at a moment's notice and by the merely publication of a Mandate, when the country is as unprepared as it is today.

The Necessity for Self-Help

For a whole year, China has been begging help of others. Her pitiful cries have apparently fallen on deaf ears of the gentlemen in Geneva, and her sorry figure has not drawn any sympathy from international onlookers. However, she is not at all disheartened, but persistent in begging, as her suffering has increased in acuteness. In relying upon others, she has totally forgot that a man who can not help himself will not be helped by others.

It is true that America is our traditional friend, and that she has helped us to recover our lost territories and rights on many occasions in the past. Her friendship has become proverbial to the Chinese. Therefore while all the other Powers have closed their doors on us, we must appeal to America once again as our last recourse. But to call frequently at the door of our generous friend will soon make him believe that a man who has been helped but can not stand on his feet is not worthy of being given any more help. The generosity of a philanthropist has its limit, why not a country?

It is said and generally believed that the reason of our failure to redress our grievance at the League of Nations is because America is not a member, and that if we invoke the Nine-Power Treaty, America, its chief promoter, can do much to help us by upholding the sanctity of that international agreement. But it must be noted that America alone can not enforce any treaty, so long as Great Britain and France maintain their indifferent, not to say sympathetic, attitude toward Japanese aggressions. The impartial utterance of the Washington statesmen has already drawn much fire from the Japanese militarists, and the diplomatic relations between America and Japan have recently reached a strained state. Since America can not be expected to take up a cudgel to punish the international mad dog all by herself, the invocation of the Nine-Power Treaty is likely doomed to another failure.

Perding the publication of the Lytton Report, America, as reported from Washington, will refrain from committing itself to any action in respect to Japan's recognition of Manchukuo and China's invocation of the Nine-Power Treaty. This shows clearly that America has no mind to involve herself with the Manchurian entanglement, when the last means of solution is not exhausted. Even though a conference is actually convened among the signatories to that treaty, no formula of this very complicated problem can be expected to be worked out immediately. Diplomacy, as it has always been, is featured with delay and indecision. China has already wasted one year in futile waiting for League action, and thus may wait another year for action by the conference.

The supposed sanctity of interrational agreements is rather a curse than a blessing to the small and weak nations. In reliance on the international agreements, they, in face of foreign aggressions, instead of putting up a resistance, incline to choose to appeal to this international organ or that, and invoke this treaty or that, thereby enabling the aggressors to perpetrate aggressions after aggressions and consolidate their positions in the meantime. In the end, the situation becomes more critical and unfavorable to the small nations than at the beginning.

The only alternative to the invocation of the Nine-Power Treaty is the launching of a punitive campaign against the Japanese—Manchukuo—by which China will come to an open collision with Japan. But to take military action, China must prepare herself militarily as well as financially. China has maintained a big army, but it is more personal than national. In the fighting of personal wealth and political rights, the generals are always ready to lead their respective armies to the struggle; but in the fighting of a foreign foe, they will more than likely keep their soldiers on the sidelines to watch developments so long as their respective spheres of influence are not menaced. Therefore when a Mandate is issued by the government to launch a punitive expedition, we shall be agreeably surprised if some of the generals volunteer their service for their country.

Financially, China is in a state of bankruptcy. War is a costly undertaking, and military equipments and munitions must be purchased with gold. Domestic loans are not available when the people are as poor as the government, and foreign loans can not be contracted when China's international credit is low. But soldiers must be paid and armed, and they can not go to battle with bare hands and empty stomachs. Generous contributions may be expected from the patriotic public, but frequent calls on the purse will soon tighten the pursestrings. Unless we have financial means, we can not go to war with a first class Power without dire consequences.

Moreover, the country is as divided as ever. The military campaign against the Red-banditry, after more than two months, has shown little progress. The Canton government has continued its aloofness and conducted itself as a separate institution. At Nanking, most of the high officials have been conspicuous by their absence at this critical moment. In Shantuug, the disagreement over the allocation of military revenues and the respective spheres of influence has led Generals Han Fu-chu and Liu Chen-nien into an open fight. Every official seems to be only slight slightly concerned over the important development's in Manchuria, and leaves his duty on one pretext or other. Wang Ching-wei, whose grudge against the Young Marshal has not yet been forgotten, has played a hide-and-seek game with his colleagues who are vainly attempting to persuade him to return to Nanking. Thus the country is in a topsy-turvy state. How can we expect our government to take any definite and effective action in recovering our lost territories?

The Rising Tide of Public Discontent

The Japanese recognition of Manchukuo has been greeted by all the Chinese people with indignition everywhere throughout China and abroad. More than sixty trade unions in Shanghai, in an urgent telegram sent to the Nanking Government on Sept. 15, demanded severance of Sino-Japanese diplomatic relations and launching of a punitive campaign against Manchukuo. The Shanghai General Labor Union dispatched another telegram to Nanking urging that the nation's military force be immediately mobilized for a punitive campaign against Manchukuo. Telegrams from elsewhere have poured in to Nanking asking for immediate military actions. Even the Southwest Political Council and the Southwest Executive Committee of the Kuomintang, which have hitherto had no sympathy toward the Nanking government, have sent telegrams to Nanking, stating "The Southwest is ready to undergo all sacrifice and to join the nation in offering stubborn resistance in order that world peace and international justice may not be trampled upon."

(*Continued on page 236*)

A French Survey of Economic Conditions in Japan

(The following article giving apparently an eye-witness account of economic and agricultural distress in Japan appeared originally in Je Suis Partout, well-known conservative weekly published in Paris. The translation appearing herewith is from The Living Age for September).

TO form a sound judgment of Japan's domestic policy one must concentrate chiefly on the economic situation. The general disturbance of mind is simply the result of financial distress.

The word 'famine' would seem an anachronism in a country so thoroughly organized as modern Japan, and I am amazed to find myself writing it. But the truth is that people are now dying of hunger, at least in certain prefectures. During 1931, the rice harvest declined throughout the nation, disastrously so in the northeast. Investigations by competent authorities show that of 1,853,250 acres cultivated in Hokkaido, the northernmost of the four islands, 162,799 acres produced nothing whatever. Of the remaining acres, 438,620 produced about thirty per cent of the usual harvest, and 864,568 an average of forty per cent. In the prefecture of Aomori 7,413 acres yielded absolutely nothing, and the remaining 150,236 yielded 54 per cent of the normal harvest. The year 1931 yielded the worst harvest since 1869. When we remember that rice is the backbone of the Japanese diet and that even in normal years Japan has to import food from abroad, we can see the extent of the catastrophe.

But misfortunes never come singly, and the sale of silk declined in 1931 and has continued to slump during 1932. The United States, Japan's chief client, had to cut down its purchases because of the grave economic crisis there. It also insisted on paying less, and Japan, in order to make any sales at all, accepted lower prices. Both silk and cocoon prices have declined. This spring the selling price of cocoons fell below three yen ten sen per kwamme (a kwamme is the equivalent of 8.26 pounds), the lowest price in 1931. This decline has continued and the likelihood now is that the price will fall to two yen forty sen, a record figure for all time, at which the peasant would lose one yen per kwamme. Silk culture is the chief activity of certain prefectures. Silk in all its forms is one of the few commodities that Japan can sell without having to purchase raw materials abroad, and thirty per cent of all Japan's exports are silk. Local consumption is also considerable.

Heartrending Suffering

The extent of rural suffering is heartrending. Peasants in districts affected by the famine have been living for some time on fern roots, and they are now eating dried rhubarb, wild radishes, and rice husks. Many people have died of undernourishment or as the result of the bad food they have eaten. The authorities in the prefecture of Aomori have had to establish medical centres where poor people come to be cured of new diseases caused by hunger. High officials in the Ministry of Agriculture and Forestry have investigated all the prefectures where there is a food shortage. The report of the official who investigated Nagano, renowned for its summer resort of Karuizawa at the foot of the active Asama volcano, includes this passage:—

'Many villages live in a state of destitution below what we have always considered to be extreme poverty. Conditions are such that thefts of rice, sugar, salt, soybean sauce, and all kinds of food are no longer the exception but the rule. Since January the police department has been unable to keep the situation in hand. Even in the city of Ueda, one of the most important grain centres in Japan, business is done by barter. In most of the villages a fifty-sen piece is a rarity. Everything that could be eaten has been consumed, including wild berries.'

Not only is the prefecture of Niigata one of the richest rice centres in Japan, but poets have always celebrated the beauty of its women. Here is an extract from an official report:—

'Between 80 and 90 per cent of the revenue in the prefecture of Niigata comes from rice-growing. Now, however, nobody except a few big farmers has any rice. The peasants, having nothing left to sell, are selling their daughters. A girl in her third year at primary school, about eleven years old, is worth a hundred yen, while a girl of fifteen who has finished primary school commands the price of four hundred yen. Hundreds and hundreds of families have sold their daughters to proprietors of public houses. One's imagination is staggered.'

The *Fujin Koron* writes as follows: 'The prefectures of northern Japan are renowned for the beauty of their women. Those of Akita and Yamagata provide most of the women who inhabit the houses of pleasure in the principal Japanese cities. The number of young women who enter these houses never exceeded seven hundred a year up to two years ago, but last year these two prefectures exported fifteen hundred unfortunates. The prefecture of Aomori, which used to furnish an annual contingent of three hundred young women, provided more than five hundred last year.

'In the prefectures of Akita and Yamagata there are many villages with no more girls of marriageable age. In the village of Nishi Okuni in the Mogami district of Yamagata all women between the ages of fifteen and twenty-five, numbering two hundred and fifty, have departed. The population of this village numbered 4,714 people, of whom 2,322 were women.'

The official who visited the prefecture of Iwate told how a little boy who was attending the village primary school asked him, 'Are people in the other parts of Japan suffering as we are? Is there any region where one can eat one's fill? At home we are now eating cakes made of grass. Last year only animals ate them.' And the official observed, 'At the village school bowls of rice are distributed from time to time to children who are too badly nourished. On seeing the rice, the poor little children fight for it like ravenous beasts.' In the neighboring prefecture of Aomori five thousand children go to the village school with no lunches and without having had any breakfast.

The official observer for the prefecture of Iwate also regrets that so many girls are being sold to pay their parents' debts. 'It is only too easy to imagine the road these unfortunates take.' And the same thing happens in Nagano, Akita, Aomori—in all the provinces laid waste by famine. The most odious element in this sale of children is that it reveals an agreement among all the miserable purchasers. They never pay more than four hundred yen and they pay that only for a girl of fifteen who has finished primary school.

Before arriving at that point some peasants burn their houses in the secret hope of collecting insurance, but there have been so many fires that the insurance companies refuse to pay. Their humanity is confined to not suing the incendiaries, who are now more unfortunate than ever. The luckiest people are arrested for theft, since prison is preferable to the martyrdom of hunger. But prisons will not receive people guilty of ordinary misdemeanors.

Families are dissolving. Husbands and wives are separating, children are abandoning their parents. This agony on the part of the Japanese peasant cannot go on forever. Some say it is temporary, that a bad harvest is not necessarily followed by another bad one, and that a year of depression may be followed by a year of prosperity.

The Peasant Debts

But there is also unfortunately the question of peasant debts, the liquidation of which remains insoluble because they amount to so much, and more especially because of the usurious interest rates demanded by lenders. The last serious investigation of rural debts, made by the Mortgage Bank of Japan, dealt with how much money had been lent to the peasants up to January 1, 1930. On that date, the Japanese peasants owed a total of 4,585,378,000 yen. According to experts connected with this bank, these debts have increased at the rate of six hundred million yen a year, bringing the total indebtedness to 5,785,378,000 yen on January 1, 1932. There are 5,576,000 families of peasants in Japan. The average indebtedness per family is therefore a little over a thousand yen.

The Ministry of Agriculture and Forestry corroborates this estimate. According to its statistician, the average peasant family at the end of 1927 owed between 750 and 800 yen. To-day this sum must be at least a thousand yen. But the hopeless part of the situation is that the Japanese peasant often makes less money than the interest he owes and rarely makes much more. Although the apparent interest rate on these loans is around ten per cent, the real interest rate is actually much higher. According to the Mortgage Bank, 56.46 per cent of the loans made to peasants appear to bear an interest

rate of twelve per cent, but actually bear a rate of 20, 25, or even 30 per cent. In order to keep the ball rolling the lender constantly increases the total debt, depending on how much interest he wants to receive. Meanwhile, the peasant sinks deeper and deeper into poverty. It is these loans that cause all the rural trouble, and unless the usurious lenders feel the rude hand of Japanese justice descending upon them the situation cannot be remedied. The total amount of debts keeps rising, along with the interest rate. Not only is the peasant unable to pay any more interest; he now cannot even borrow more money. What will be the outcome?

Besides the debts in the countryside, there is also an industrial and trade depression in the cities. The promoters of the Manchurian adventure regarded it as a simple police expedition to suppress Manchurian bandits. The aim of the Shanghai affair was to protect the lives and property of the Japanese in Shanghai. It was also supposed to break the official boycott of Japanese goods. In case it succeeded, Japanese business was going to profit.

The Japanese armies may have been successful, but these two affairs have not yielded any immediate fruit. Undoubtedly Manchuria will pay in the long run, but not until the distant future. At the moment Japan is paying, and with a vengeance.

For Japanese business is in the doldrums. China, one of its chief clients, refuses to buy Japanese merchandise. It is organizing a methodical boycott, the most terrible it has ever declared. 'To halt and overcome the domination of the Great Powers, there is no need to resort to armed force. You only have to stop buying their goods. That is enough.' This is the lesson that is being taught in the Chinese schools, and the above passage is quoted from a book entitled *New Manual for the Diffusion of the Three Principles*. And, in respect to Japan, here is the proposal made in the *New Selections of Chinese Texts for Beginners:* 'The most effective and useful means of raising the standard of revolt against Japan is peaceful resistance. This means that the Chinese must not provide the Japanese with anything that they demand and that they must not buy anything that the Japanese offer. If China can put this economic blockade into effect it will easily be able to bring Japan to terms.' The application of these principles has dealt a mortal blow to Japanese business in China. An investigation made by the Japanese Ministry of Commerce and Industry shows that in 1931 Japan lost its place as the chief exporter of goods to China, its successful competitors being, as luck would have it, Great Britain and the United States. The total exports of Japan to China amounted to 155,751,000 yen in 1931, a decline of 40 per cent from 1930 and a decline of 55 per cent from 1929.

The Decline of Japanese Business in China

The decline, which was moderate until the occurrence of the Manchurian affair, has taken on alarming proportions since last October. Comparing the figures for the corresponding months of 1930, we see that Japanese exports declined 33 per cent in September, 65 per cent in October, 79 per cent in November, and 80 per cent in December. 'The economic depression,' so runs the ministerial report, 'seemed to reach its culmination in 1931. One of the outstanding features of the year was the official bankruptcy of Germany. Great Britain's abandonment of the gold standard was also important, and these two events profoundly affected business and industry in every country. A considerable decline in foreign trade has been under way, accompanied by industrial stagnation and increased unemployment. Prices have dropped rapidly. In so far as Japan is concerned, this country has been doubly affected, since it has not only suffered from England's abandonment of the gold standard but is still being affected by the results of the 1923 earthquake. Last year Japan was directly affected by the universal depression. Moreover, many factors peculiar to the country aggravated the situation, among them the Manchurian affair and the anti-Japanese movement in China. The anti-Japanese movement in China and England's abandonment of the gold standard cannot be treated with disdain. England's action hurt Japanese business with European countries, India, East Africa, South Africa, and Australia, all of which were accustomed to dealing in pounds sterling. It dealt a terrible blow to Japanese business wherever Japan was competing with England.

'There have been frequent anti-Japanese movements in China, but the present movement is the most methodical and profound on record. New industries have even been created in China in order to combat Japanese business more effectively, and they threaten to displace Japan permanently. One can do nothing to counteract them. Anti-Japanese movements are illegal and ought to be combated if Japan wants to revive its industry. This process of extermination should be undertaken in order to establish permanent good relations between the two countries. In short, the outlook for 1932 from the economic and commercial point of view does not seem to indicate any rapid or noticeable improvement.'

The boycott of Japanese goods that went into effect in Shanghai because of the hostilities of last winter has extended to Singapore, where it has developed tremendously. It has also spread to all the southern parts of China and to all parts of the South Seas where Chinese business predominates. The Chinese Chamber of Commerce in Singapore is raising large sums of money to finance an anti-Japanese campaign. Commercial transactions with Japan are likely to be completely blocked. The number of unemployed in Japan is continually increasing. The official count is less than 200,000, but a man only has to work three days a year to be regarded as employed. In actuality there are nearly a million workers who have no jobs and receive no relief.

If the misery in the country districts is great, misery in the cities is no less intense. Here, too, the situation seems to have no solution. For circumstances are independent of the men in power. Foreigners cannot be forced to buy Japanese products in order to give work to Japanese workingmen. Thus poverty reigns in the country, in the cities, everywhere. No wonder the masses are disgusted with a Government that cannot remedy the situation. Suffering as they are, the Japanese people would like to turn toward those who are outlining a new social order based on socialist theory, but only a few workingmen have adopted this desperate solution with determination. The rest of the unfortunates, whether they work on the soil or in factories, are rallying about the imperial throne. 'A lighthouse in the tempest, a light in the darkness, a dispenser of unnumbered benefits at all times.' The young Mikado sympathizes in his generous soul with the misery of his people. He does what he can. But events to-day have passed beyond the control of the sovereign's sensitive heart. What does the future hold for this nation whose present condition is so sombre?

OUTLOOK IN CANTON AFTER SUN FO'S DEPARTURE

(*Continued from page 231*)

inevitable. The result of their war will afford China the big opportunity to break away from the Japanese yoke.

"Second, because France desires Britain and America to support her in her attitude towards Germany's demand for arms equality, and since America desires France's backing for her policy towards Manchuria, France must give up her pro-Japanese leaning. It is possible, then, that, the Nine-Power Pact signatories will enforce an economic blockade of Japan as a last resort.

"Third, if Franklin D. Roosevelt is elected President of the United States in November, it is probable that the Democratic Government in Washington will join the League of Nations and thus that organisation's stand in demanding a Japanese concession made to China concerning Manchuria will be strengthened and the League's wishes, which have so far been ignored by Tokyo, will carry more weight."

Commenting on the recent *Reuter* message referring to the *News Chronicle's* message saying that information from Geneva pointed to a possible change in the French attitude towards the Sino-Japanese dispute, Sun Fo said that this was the best news from Geneva for some time.

Canton, September 26, 1932.

Shihchiachuang-Taku Railway Survey Now in Progress

A corps of engineers are now conducting surveys on the proposed route of the Shihchiachuang-Taku Railway following the conclusion of arrangements between the Ministry of Railways and French financial interests for a loan of 350 million francs. It is reported at Tientsin that Tseng Chung-ming, Vice-Minister of Railways, will be appointed Director of the Engineering Bureau of the Railway.

France and the Chinese Eastern Railway

BY HARRY PAXTON HOWARD

BRIEF reference to the visit to Manchuria of a representative of the Franco-Asiatic Bank, which have appeared in the press, show that French interests are endeavoring to secure, on behalf of the old Russo-Asiatic Bank, control of the Chinese Eastern Railway. Some people will wonder what the French have to do with a railway which was founded by a Russo-Chinese agreement, was during most of its existence under complete Russian control, and in the last few years, since the coming into existence of the Soviet government with its new policy towards China, has been under a joint Russo-Chinese directorate.

The Chinese Eastern Railway was built following the conclusion of the 1896 secret treaty of alliance between Russia and China, providing for military and naval cooperation in case of Japanese aggression in Chinese or Russian territory. The military aims of the treaty were never realized, but the railway planned in connection with it, for the transport of troops and provisions, was constructed under a special agreement which served as camouflage for the secret alliance, which was never officially made public until the Washington Conference twenty-five years later.

The Russo-Chinese Bank

The agreement for the construction and operation of the Chinese Eastern Railway was made between the Chinese government and the Russo-Chinese Bank, a Russian corporation which had been chartered a few months previously. It provided that the Bank would establish "for the construction and operation of this railway," a company to be known as the Chinese Eastern Railway, the statutes of which would be "in conformity with the Russian usages in regard to railways," and the shares of which could be acquired "only by Chinese and Russian subjects."

The capital came from Russia. The technical committee formed at the Washington Conference to study and report on the Chinese Eastern Railway pointed out that

> "The necessary funds for its construction were furnished by the Russian Government, and it was built under the direction and supervision of that Government, acting through the Chinese Eastern Railway Company. The railway is in effect the property of the Russian Government. China has certain ultimate reversionary rights which are provided for in the original contract of 1896."

China's Interest

No shares were acquired by Chinese subjects. The 1896 contract referred to, however, provided that the Chinese Government was to pay the sum of Kuping Tls. 5,000,000 to the Russo-Chinese Bank, and further provided that "the day when the line is finished and the traffic is in operation," the C. E. R. Company would pay Kuping Tls. 5,000,000 to the Chinese Government. This appears to have been merely a matter of bookkeeping, the Bank charging the C. E. R. account with Kuping Tls. 5,000,000, and crediting same to the capital stock account of the Chinese Government, which paid in no cash whatsoever. From 1896, to 1916, however, the Bank paid dividends to the Chinese Government to a total of Peking Tls. 5,372,750.-43.*

In 1911 the Russo-Chinese Bank was amalgamated with the Banque du Nord, and the name changed to the Russo-Asiatic Bank. With the Soviet revolution in Russia in 1917, this bank like others was confiscated by the new regime. Now, for the first time, France was heard from in connection with the C. E. R. control, the Russo-Asiatic Bank suddenly appearing as under French protection, and with headquarters in Paris. As, under the contract for the C. E. R., shares in the railway company could be acquired only by Chinese and Russian subjects, the new nationality of the Bank obviously disqualified it from any claim to ownership. The Peking Government in 1918, however, wholly venal and subservient, was completely under foreign (particularly Japanese) domination, and as a result came the extraordinary agreement of 1918.

The Russo-Asiatic Bank Agreement

Peking was than a center of Japanese, Allied, and counter-revolutionary Russian intrigue. The Russian survivals from the old regime, now representing no one but themselves, called a "meeting of shareholders" of the "Russo-Asiatic Bank," whose headquarters were declared to be in Paris. The "shareholders" comprised a representative of the Bank and seven persons to whom the Bank had issued certificates as holders of three shares of the Chinese Eastern Railway Company. It was explained that all the actual shares of the Company had been deposited by the Russo-Asiatic Bank in Petrograd with the local office of the Russian State Bank there, where they had remained. Of the nine Directors of the Railway (five were required for a quorum), two were present, the Chinese president of the line attending. (This president had just been appointed after an arrangement with Horvath, who had been maintained in office against the Soviet Russians by Chinese troops acting under Allied instigation and influence.) This "meeting of shareholders" proceeded to elect a new Board of Directors for the Railway.

For a time, thanks to French support and Peking's timidity, the reorganized Bank was treated as owner of the Chinese Eastern Railway, and in 1920 the Peking government entered into an agreement with the Bank, which was to appoint five Directors of the Railway, while China was to appoint four and a President. The Bank agreed to pay to China Kuping Tls. 5,000,000, plus six per cent compound interest calculated from the day of the opening of traffic down to 1920, an inducement to which Peking could not remain indifferent.

The Sino-Russian Agreement

This agreement continued in force for about four years, until—in the face of foreign protests and fulminations—the Peking government showed sufficient courage and self-assertion to conclude the treaty with the Soviet government whereby (among other things) the Chinese Eastern Railway problem was settled—for the time being. The railway became a joint Sino-Russian enterprise, under Soviet management, but with a Board of Directors consisting of five Russians and five Chinese, including the Chinese president of the line, and with the provision that the future of the railway was to be decided by China and Russia alone, excluding any third party or parties.

France (as well as Japan) had been outstanding in efforts to prevent the Sino-Russian rapprochement. When the 1924 agreement was under way the French protests rose in volume, France insisting—with regard to the Chinese Eastern Railway—on the new position of the Russo-Asiatic Bank (which had in 1920, it appears, claimed to be the only shareholder of the Chinese Eastern Railway) under the French flag. China now had the courage to ignore this claim, taking the provisiors of the original contract of 18% limiting ownership to Russians and Chinese) as its basis. Even after the Sino-Russian agreement was signed, the Russo-Asiatic Bank protested to the Chinese Foreign Office, claiming to represent the bondholders and shareholders in the railway, who it alleged had been ignored in the negotiations.

In the month of May 1924, when the Sino-Russian agreement was being concluded at Peking, by a singular coincidence the governor of French Indo-China, Mr. Merlin, visited Japan, was received most royally, and there were rumors that the real object of his visit was the conclusion of a special agreement with Japan on the subject of North Manchuria and the mutual maintenance of the "special interests" of both countries there, France's special interest being of course her Chinese Eastern Railway claim. Nothing has so far been revealed officially regarding any such agreement, which however, in any case, would hardly be other than secret.

The Present French Claims

The Russo-Asiatic Bank, in course of time, was liquidated, but succeeded by the Franco-Asiatic Bank. In the last few months there have been manifestations of French financial activity in Manchuria, bringing forcibly to mind the earlier rumors of a secret Franco-Japanese agreement on North Manchuria. Baron Rothschild, the prominent French financier, made a tour of Manchuria, was interviewed by Japanese newspapermen at Dairen, and was quoted by them as stating that French financiers are contemplating investments in Manchuria.

At about the same time, there were reports in the French press to the effect that France and Japan were negotiating the matter of a French loan to the new Manchurian government, though of course this was officially denied.

The Position of the C. E. R.

A couple of months ago a representative of the Franco-Asiatic Bank, Mr. Massenet, went to Manchuria for negotiations with "Manchukuo." He is now in Mukden. There have already been press reports regarding his

*See statement by Percy Chu, writing from the General Liquidation Office of the Russo-Asiatic Bank in China, in Sokolsky's "Story of the Chinese Eastern Railway."

activities. The Tokyo correspondent of the Paris "Temps," even before the departure of the Bank's representative from Tokyo, reported that the latter was going to Manchuria in order to discuss the question of French interests in the Chinese Eastern Railway, and stated that "should the attitude of the Manchurian government be satisfactory, there is no doubt that any request for a loan to keep up the line would be met favorably and that negotiations could be opened up for still further loans."

Another report regarding Mr. Massenet's activities, appearing in the *Manchester Guardian*, stated that the principal mission of the banker is to uphold the French claims with regard to the Chinese Eastern Railway, and to bring into being an agreement similar to that reached by the Peking government in 1920 with the Russo-Asiatic Bank, repudiating the 1924 Sino-Russian agreement covering the C. E. R.

This banker, in any case, is frankly in Manchuria for the purpose of presenting claims of shareholders in the old Russo-Asiatic Bank, and trying to get something out of the Chinese Eastern Railway. It is probable that the recognition of such claims, giving this valuable Sino-Russian enterprise to a French bank, would be followed by urgently needed loans from France to "Manchukuo." The C. E. R. may be the price of such loans.

Japan and Russia

The real question involved, however, is that of Japan and Russia. Would Soviet Russia permit this valuable enterprise to be taken away from her without fighting for it? It was demonstrated in 1929 that Russia had already given away as much as she was prepared to do in this connection, and would hang on forcibly to the half-interest which remained to her in the line. "Fighting" with Chang Hsueh-liang's troops, however, who fled in panic at the first Soviet bombardment, was rather a different thing from fighting the Japanese.

It does not seem so certain, however, that the situation would work out this way. The Japanese are aware of Russia's military strength, and it is rather unlikely that they wish to provoke it by any direct seizure of the C. E. R. Almost certainly, Japan would not do so on behalf of French bankers, simply to pull chestnuts out of the fire for them. We can only guess at what Franco-Japanese understandings exist concerning North Manchuria, but Japan is not likely to get into a war on behalf of the Franco-Asiatic Bank.

But things are not being done in this straight-forward way in Manchuria anyway. Japan would not take responsibility for any seizure of the line. It would be the state of "Manchukuo" which would technically be responsible. And this state, manipulated by Japanese advisers, might be able to work out some scheme.

Even so, however, seizure seems out of the question. So far as Manchukuo's own force are concerned, Russia could forcibly take back the line without serious difficulty, and would probably do so if Manchukuo tried to seize the railway without compensation. On the other hand, there would be no point from the viewpoint of French claimants to ownership—in compensating Russia for the line.

Is a Compromise Possible?

It is very unlikely that either Russia or Japan is desirous of going to war over the Chinese Eastern Railway. This would suggest that a compromise is the way out. But what compromise is possible? Japan undoubtedly desires control of the line. It is necessary to her full control of Manchuria, and to the organizing of her powers for the next step —years in the future, probably—when she will feel herself strong enough, with her expanded empire, to go ahead where she failed a decade ago, and try to effect a permanent occupation of Far Eastern Russia.

But Japan at present is in no position to pay for the line, and indeed the contract for the line provides only for its redemption by China. "Manchukuo," indeed, might claim to be "China," and in fact the Soviet government in 1924 had to make separate agreements with Peking and Mukden i.e., with Chang Tso-lin's "three autonomous provinces"), so this difficulty might be bridged, were Russia prepared to be a party to such an arrangement. But the railway has a special value for Russia (in addition to its great commercial value) in supplying direct communication (without a wide detour) with Vladivostok and the growing population of this Far Eastern area, the defence of which would be seriously menaced were the Chinese Eastern Railway to go into Japanese hands. And Japan, it will be remembered, has refused to sign an anti-aggression pact with Russia.

How About France?

But there is a further possibility— a really menacing one. Were Manchukuo to enter into an agreement with a French bank giving the latter virtual ownership of the Chinese Eastern Railway, this concern would become French property. An attempt by the Soviet government to reacquire its railway would bring France directly into the conflict to "protect" its bankers. If France were to come to their aid with military force, it would mean a real war.

The matter of "understandings" between Japan and France is of course of vital importance here. The 1907 agreement between the two states recognizes the special interests of each in the regions of China adjacent to their own territories (i.e., northeastern and southwestern China respectively), and the two agree to support one another in maintaining the security of those regions, and "the territorial rights of the two contracting parties in the continent of Asia." In connection with the present situation, this pledges France to the support of Japanese actions to maintain Japan's special interests in Manchuria, and the "security" of this area—as seen from a Japanese viewpoint.

With this commonalty of interests, further Franco-Japanese pacts were natural, though they have perforce been secret. By the secret treaty of 1927 France promised to support the claims of Japan to Shantung at the peace conference, and faithfully fulfilled this. There appears to have been another secret agreement in 1921 by which France agreed to support Japanese claims in Siberia (France had already a secret pact with Britain for the dismemberment of Russia in Europe), and this agreement granted Japan control of the Chinese Eastern Railway. We can only surmise as to what secret pacts now exist, but we know that for eight years past, beginning with Mr. Merlin's visit to Japan (which was followed the next year by a Japanese mission to Indo-China headed by Prince Togukawa), there have been intermittent negotiations between French and Japanese delegations in Paris, ostensibly to settle the matter of duties on Japanese goods entering Indo-China. We know, furthermore, of the sympathy of French militarists with their Japanese colleagues. *Reuter* reported once last winter that "Briand's role may be modified owing to pressure from the French General Staff, and... however great his sympathies are with the League, he will have to carry out the wishes of his government," while Gilbert Murray noted, in connection with China's appeal to the League, that "a mischievous campaign is proceeding, especially in France, where the extreme right, in conjunction with French armament firms, is responsible for the dissemination of prejudice against the League of Nations."

A New World War?

Whether Franco-Japanese co-operation will reach the stage of military alliance, however, is not yet clear. They co-operated in 1921 against Russia, but other Powers were also involved. But the realities of the present situation may be fairly considered, as concerns the Chinese Eastern Railway and the Changchun regime. Manchukuo is in serious need of funds. Japan can supply it with military support, but Japan's own finances are in very precarious shape. French investors, on the other hand, are, as always, reaching out for new fields, provided there is fair security. French capital and Japanese bayonets and intrigue might make a very effective combination. And in case of actual war, France would undoubtedly be ready to fight to the last Japanese.

But France, were she to come into the conflict, would inevitably drag in other European states, and this would mean a general smash-up and a new World War. And then the League would probably have to appoint another Commission of Inquiry.

Peiping, October 1, 1932.

CHINA'S STAND TOWARD JAPANESE RECOGNITION OF MANCHUKUO

(*Continued from page 232*)

To launch a punitive campaign against Manchukuo is now devoutly wished by all the people, because they are fully aware of the fact that interrational agreements and engagements can not bind the Japanese militarists to respect China's territorial and administrative integrity. They believe that the League of Nations is powerless in face of the Japanese defiance, and the Lytton Report can not offer any equitable formula when the condition is rapidly changing. Moreover, they are convinced that the invocation of the Nine-Power Treaty will cause further delay and give the Japanese added time to consolidate themselves in the puppet state. Their patience has been taxed to the limit, and their hopes have been once more dashed to the ground. They are now clamouring for some definite and effective action. The tide of public dissatisfaction is rising, and the government must prepare itself to meet the will of the people.

Shanghai, October 3, 1932.

League Commission's Report

The report of the League Commission of Enquiry into the Sino-Japanese dispute was released at Geneva and other world capitals October 2. The Commission, which was headed by Lord Lytton, signed the report in Peking on September 4 after spending some months in the Far East investigating the situation arising out of the Mukden incident of September 18, 1931.

The official summary of the Lytton Commission Report is printed below. It will be noted that having indicated the lines on which a solution might be reached if the Government of China and Japan could recognise the identity of their chief interests and were willing to make them include the maintenance of peace and the establishment of cordial relations with each other, the Report states that the general principles to which any satisfactory solution should conform would be the following—(the summary being by *Reuters* Agency.):—

1. **Compatibility with the interests of both China and Japan.**—Both countries are members of the League and each is entitled to claim the same consideration from the League. A solution from which both did not derive benefit would not be a gain to the cause of peace.
2. **Consideration for the interests of U. S. S. R.**—To make peace between two of the neighboring countries without regard for the interests of the third would be neither just nor wise, nor in the interests of peace.
3. **Conformity with existing mutilateral treaties.**—Any solution should conform to the provisions of the Covenant of the League of Nations, the Pact of Paris, and the Nine-Power Treaty of Washington.
4. **Recognition of Japan's interests in Manchuria.**—The rights and interests of Japan in Manchuria are facts which cannot be ignored, and any solution which failed to recognise them and to take into account also the historical associations of Japan with that country would not be satisfactory.
5. **The establishment of new treaty relations between China and Japan.**—A re-statement of the respective rights, interests and responsibilities of both countries in Manchuria in new treaties, which shall be part of the settlement by agreement, is desirable if future friction is to be avoided, and mutual confidence and co-operation is to be restored.
6. **Effective provision for the settlement of future disputes.**—As a corollary of the above, it is necessary that provision should be made for facilitating the prompt settlement of minor disputes as they arise.
7. **Manchurian autonomy.**—The government in Manchuria should be modified in such a way as to secure, consistently with the sovereignty and administrative integrity of China, a large measure of autonomy designed to the local conditions and special characteristics of the Three Provinces. The new civil regime must be so constituted and conducted as to satisy the essential requirements of good government.
8. **Internal order and security against external aggression.**—The interral order of the country should be secured by an effective local gendarmerie force, and security against external aggression should be provided by the withdrawal of all armed forces other than gendarmerie and by the conclusion of a treaty of non-aggression between the countries interested.
9. **Encouragement of an economic rapprochement between China and Japan.**—For this purpose a new commercial treaty between the two countries is desirable. Such a treaty should aim at placing on an equitable basis the commercial relations between the two countries and bringing them into conformity with their improved political relations.
10. **International co-operation in Chinese reconstruction.** Since the present political instability in China is an obstacle to friendship with Japan and an anxiety to the rest of the world, as the maintenance of peace in the Far East is a matter of international concern; and since the conditions enumerated above cannot be fulfilled without a strong central Government in China, the final requisite for a satisfactory solution is temporary international co-operation in the internal reconstruction of China, as suggested by the late Dr. Sun Yat-sen.

Interalia it is suggested later that if China and Japan agree to discuss the solution of their dispute along the lines indicated, an Advisory Conference might be summoned as soon as possible for the purpose of recommending detailed proposals for the constitution of a special regime for the administration of the Three Eastern Provinces. Such a conference, it is suggested, might be composed of a representative of the Chinese and Japanese Governments and of two delegations representing the local population, one selected in a manner to be prescribed by the Chinese Government and one selected in a manner to be prescribed by the Japanese Government. If agreed between the parties, the assistance of neutral observers might be secured.

If the Conference were unable to reach an agreement on any particular point, it would submit to the Council the point of difference and the Council would then attempt to secure an agreed settlement on these points.

Simultaneously with the sitting of the Advisory Conference, matters at issue between Japan and China relating to respective rights and interests should be discussed separately, in this case also, if so agreed, with the help of neutral observers.

Finally, the Commission suggests that the results of these discussions and negotiations should be embodied in four separate instruments:

1. A Declaration by the Government of China, constituting a special administration for the Three Eastern Provinces in the terms recommended by the Advisory Conference.
2. A Sino-Japanese treaty dealing with Japan's interests.
3. A Sino-Japanese treaty of conciliation and arbitration, non-aggression and mutual assistance.
4. A Sino-Japanese Commercial treaty.

It is also suggested that before the meeting of the Advisory Conference the broad outlines of the form of administration to be considered by that body should be agreed upon between the parties with the assistance of the Council.

When once these broad principles have been agreed upon beforehand, the fullest possible discretion as regard to details would be left to the representatives of the parties at the Advisory Conference, or when making the treaties. Further referenre to the Council of the League of Nations would only take place in the event of failure to agree.

After having explained the advantages claimed for this procedure, the Commission indicates the form in which the four instruments above mentioned might be put and the various points which might be settled by them. The Declaration would deal with such questions as the powers to be reserved to the central Government of China in Manchuria; the organisation of a gendarmerie; the appointment of foreign advisors for various branches of the Manchurian administration, etc.

It is suggested that the powers to be reserved to the central Government should be the following:

1. The control of general treaty and foreign relations not otherwise provided for; it being understood that the central Government would not enter into any international engagements inconsistent with the terms of the Declaration.

2. The control of the Customs, the Post Office, and the Salt Gabelle, and possibly of the administration of the stamp duty and the tobacco and wine taxes. The equitable division between the central Government and the Three Eastern Provinces, of the net income from these revenues, would be determined by the Advisory Conference.
3. The power of appointment, at least in the first instance of the Chief Executive of the Government of the Three Eastern Provinces in accordance with the procedure to be laid down in the Declaration.

   Vacancies would be filled in the same way, or by some system of selection in the Three Eastern Provinces, to be agreed upon by the Advisory Conference and inserted in the Declaration.
4. The power of issuing to the Chief Executive of the Three Eastern Provinces such instructions as might be necessary to ensure the carrying out of the international engagements entered into by the central Government of China in matters under the administration of the autonomous Government of the Three Eastern Provinces.
5. Any additional powers agreed upon by the Conference. All other powers would be vested in the autonomous Government of the Three Eastern Provinces.

It is suggested that a special gendarmerie should be organised, with the collaboration of foreign instructors, which would be the only armed force within the Three Eastern Provinces. The organisation of the gendarmerie should either be completed within a period to be specified in advance, or the time of its completion should be determined in accordance with a procedure to be laid down in the Declaration. As this special corps would be the only armed force in the territory of the Three Eastern Provinces, its organisation, when completed, should be followed by the retirement from this territory of all other armed forces, including any special bodies of police or railway guards, whether Chinese or Japanese.

The Sino-Japanese treaty dealing with Japanese interests would have to deal principally with certain economic rights of Japanese nationals and with railway questions. The aims of this Treaty should be:—

1. The free participation of Japan in the economic development of Manchuria, which would not carry with it a right to control the country either economically or politically,
2. The continuance in the Province of Jehol of such rights as Japan now enjoys there;
3. An extension to the whole of Manchuria of the right to settle and lease land, coupled with some modification of the principle of extra-territoriality;
4. An agreement regarding the operation of the railways.

The Sino-Japanese treaty of conciliation and arbitration, non-aggression and mutual assistance would provide for a board of Conciliation and an Arbitration Tribunal. Contracting parties should also agree that Manchuria should gradually become a demilitarised area. With this object it would be provided that after the organisation of the gendarmerie had been effected any violation of the demilitarised territory by either of the parties or by a third party would constitute an act of aggression entitling the other party (or both parties in the case of a third party attack, to take whatever measures might be deemed advisable to defend the demilitarised territory, without prejudice to the right of the Council of the League to take action under the Covenant. If the Government of the U. S. S. R. desired to participate in the latter agreement, the appropriate clauses could be embodied in a separate, tripartite agreement.

The Sino-Japanese Commercial Treaty would have as its object the establishment of conditions which would encourage as much as possible the exchange of goods between China and Japan, while safeguarding the existing treaty rights of other countries. This treaty should also contain an undertaking by the Chinese Government to take all measures within its power to forbid and repress organised boycott movements against Japanese trade, without prejudice to the individual rights of Chinese consumers.

The suggestions and considerations regarding the objects of the proposed Declaration and Treaties are submitted by the Commission for the consideration of the Council of the League. The Commission adds that, whatever may be the details of future agreements, the essential point is that negotiations should be begun as soon as possible and should be conducted in a spirit of mutual confidence.

The following is the official summary of the League Commission's Report on Manchuria

(Transmitted through the Kuo Min News Agency)

THE report of the Commission of Enquiry into the Sino-Japanese dispute, signed in Peking on September 4, 1932, contains an introduction and ten chapters. Special studies on various subjects are, moreover, added to the report in the form of annexes; furthermore, an appendix, containing detailed indications of the itinerary followed by the Commission, and a list of the persons and organisations interviewed, is included. In this appendix a list will also be found of the documentation submitted to the Commission by each of the two parties. The appendix and the special studies annexed to the Report will be published at a later date.

Introduction

The introduction starts by recalling the circumstances in which the Sino-Japanese dispute was brought before the Council of the League of Nations, as a result of the events which took place at Mukden on the night of September 18, 1931, (appeal by China under Article 11 of the Covenant on September 21, 1931) and the subsequent action taken by the Council, the outcome of which was the appointment of the Commission by the Resolution on December 10, 1931.

The Commission was composed as follows:—

H. E. Count Aldrovandi (Italian);
Général de Division Henri Claudel (French);
The Rt. Hon. The Earl of Lytton, P.C., G.C.S.I., G.C.I.E., (British);
Major-General Frank Ross McCoy (American):
H. E. Dr. Heinrich Schnee (German).

Before leaving Europe for the Far East by way of America on February 3, 1932, the Commission held two meetings in Geneva in the course of which Lord Lytton was unanimously elected Chairman. The Governments of Japan and China subsequently appointed as their assessors:

H. E. Mr. Isaburo Yoshida, Ambassador of Japan in Turkey, and

H. E. Dr. Wellington Koo, Former Prime Minister, and Former Minister for Foreign Affairs of China.

Mr. Robert Haas, Director of the League Secretariat, was designated to act as Secretary General of the Commission. In the course of its work the Commission was also assisted by the technical advice of various experts.

A few days before the departure of the Commission, on January 29, the Chinese Government submitted a further appeal to the League of Nations under Article 10, 11 and 15 of the Covenant, and on Febuary 12, 1932, the Chinese representative requested the Council to submit the dispute to the League Assembly in accordance with paragraph 9 of Article 15 of the Covenant. Since, however, no further instructions were received from the Council, the Commission continued to interpret its mandate according to the Council's Resolution of December 10, which included:

1. **An examination of the issues between Japan and China, including the causes, development and status at the time of the Enquiry;**
2. **A consideration of a possible solution of the Sino-Japanese dispute, which would reconcile the fundamental interests of the two countries**

⁂

Commission's Concept of Its Mission

The Commission's conception of its Mission, which determined the program of its work and itinerary, and which equally guided the plan of the report, is stated as follows:—

1. An attempt has been made to provide an historical background by describing the rights and interests of the two countries in Manchuria, which provide the fundamental causes of the dispute;

2. The more recent, specific issues which immediately preceded the actual outbreak of the dispute were then examined, and the course of events since September 18, 1931, described. Throughout this review of the issues, the Commission states that it has insisted less on the responsibility for past action than on the necessity of finding means to avoid their repetition in the future.

3. Finally, the Report concludes with some reflections and considerations submitted to the Council upon the various issues with which it is confronted, and with some suggestions on the lines on which it seems possible to the Commission to effect a durable solution of the conflict and the re-establishment of a good understanding between Japan and China.

The Itinerary Followed

Before reaching Manchuria contact was established with the Government of Japan and China and with representatives of various shades of opinion in both countries, in order to ascertain the nature of their respective interests. The Commission arrived in Tokyo on February 29; stayed in Shanghai From March 14 to 26 and in Nanking from March 26 to April 1; travelled through China until Peking was reached on April 9, and then proceeded to Manchuria, where it remained for about six weeks until June 4, visiting the principal cities of that region. After a second visit to Peking and Tokyo in June and July, the Commission finally settled down in Peking on July 20, where the drafting of the Report was undertaken.

Background of Conflict

Chapters I, II and III explain how the events in Mukden of September 18, 1931, were but the outcome of a long chain of minor occasions of friction, indicating a growing tension in the relations between China and Japan.

A knowledge of the essential factors in the recent relations of the two countries is necessary to a complete understanding of the present conflict. The national aspirations of the Republic of China, the expansionist policy of the Japanese Empire and of the former Russian Empire, the present dissemination of communism from the U.S.S.R., the economic and strategic needs of these three countries: such matters are considered as factors of fundamental importance in any study of the Manchurian problem. A description of some of the most important specific issues between China and Japan in Manchuria before September, 1931, is also essential to determine why, and how, Manchuria has become a centre of conflict, and what problems ought to be dealt with in view of a permanent settlement of the dispute, if his state of conflict is to be replaced in the future by a real reconciliation of fundamental interests.

Developments in China

The dominating factor in China is the modernisation of the nation itself, which is slowly taking place. China today is a nation in evolution, showing evidence of transition in all aspects of its national life. Political upheavals, civil wars, social and economic unrest, with the resulting weakness of the central government, have been the characteristics of China since the revolution of 1911. These conditions have adversely affected all the nations with which China has been brought into contact, and until remedied will continue to be a menace to world peace and a contributory cause of world economic depression. A brief assurance is given in Chapter I of the stages by which the present conditions has been reached. This summary mentions the fall of the Manchu dynasty, the first years of the Republic, the period of civil wars and political unrest between 1914 and 1928; the formation of the Kuomintang under Dr. Sun Yat-sen; the establishment of the central Government at Nanking in 1927; the struggle between the central Government and the opposing elements; the development of communism in China; and the conflict between the central Government and the communist organisation in central China.

From this summary description it appears that disruptive forces in China are still powerful. The cause of this lack of cohesion is the tendency of the mass of the people to think in terms of family and locality, rather than in terms of the nation, except in periods of acute tension between their country and foreign Powers. Although there are nowadays a number of leaders who have risen above particularist sentiments, it is evident that a national outlook must be attained by a far greater number of citizens before a real national unity can result.

As regards communism in China, it is observed that this does not only mean, as in most countries, either a political doctrine held by certain members of existing parties, or the organisation of a special party to compete for power with other political parties. It has become an actual rival to the national Government. Moreover, the disturbance created by the communist war is made more serious by the fact that the country is going through a critical period of internal reconstruction, and has been still further complicated during the last eleven months by an external crisis of exceptional gravity. The problem of communism in China is linked with the larger problem of national reconstruction.

Although the spectacle of China's transitional period, with its unavoidable political, social, intellectual and moral disorders is disappointing to her impatient friends, and has created enmities which have been a danger to peace, the Commission finds, nevertheless, that, in spite of difficulties, delays and failures, considerable progress has in fact been made. This is clear from a comparison between the state of China now and in 1922, at the time of the Washington Conference. Although, at present, the Central Government's authority is still weak in a number of Provinces, the central authority is not, at least openly, repudiated, and there is reason to hope that, if the central Government, as such, can be maintained, provincial administrations, military forces, and finance will acquire an increasingly national character. The present Government has made efforts for Chinese reconstruction; in many things it has failed, but has already accomplished much.

Modern Chinese Nationalism

The nationalism of modern China is a normal aspect of the period of political transition through which the country is passing: but, in addition to the natural desire to be free from any outside control in a people that has become conscious of national unity, the influence of the Kuomintang has introduced into the nationalism of China an additional and abnormal tinge of bitterness against all foreign influences. Chapter I mentions the main claims of Chinese nationalism, the attitude of the foreign Powers towards these claims (particularly the question of the relinquishment of extra-territorial rights and its relation to the question of the proper maintenance of law and order in China). Having started upon the road of international co-operation for the purpose of solving her difficulties, as was done at Washington, China might have made more substantial progress in the ten years that have since elapsed had she continued to follow that road. She has only been hampered by the virulence of the anti-foreign propaganda which has been pursued. In two particulars has this been carried so far as to contribute to the creation of the atmosphere in which the present conflict arose, namely, the use made of the economic boycott and the introduction of anti-foreign propaganda into the schools.

In so far as Japan is China's nearest neighbor and largest customer, she has suffered more than any other Power from the conditions prevailing in China. But this issue, though affecting Japan to a greater extent than other Powers, is not a Sino-Japanese issue alone. The present extreme case of international friction should, if a satisfactory settlement can be effected through the League of Nations, convince China of the advantages of the policy of international co-operation which was inaugurated at Washington with such beneficial effects in 1922.

Manchuria, China and Russia

Chapter II contains a general description of Manchuria and of its relation with the rest of China and with Russia before September 1931. Manchuria—the Three Eastern Provinces—is described as a large, fertile region, only 40 years ago almost undeveloped, and even now still under-populated, which has assumed an increasingly important role in the solution of the surplus population problems of China and Japan. The provinces of Shantung and Hopei have poured millions of destitute farmers into Manchuria, while Japan has exported to that country her manufactured articles and capital, in exchange for food supplies and raw materials. Without Japan's activity, Manchuria could not have attracted and absorbed such a large population. Without the influx of Chinese farmers and laborers, Manchuria could not have developed so rapidly. Yet, Manchuria, so largely dependent on co-operation, was destined, for the reasons indicated, to become a region of conflict, at first between Russia and Japan, and later between China and her two powerful neighbors.

China, at first, showed little activity in the field of development in Manchuria. She almost allowed Manchuria to pass from her control to that of Russia. Even after

the Treaty of Portsmouth, which reaffirmed her sovereignty in Manchuria, the economic activity of Russia and Japan in developing those provinces figured more prominently than her own in the eyes of the world. Meanwhile, the immigration of millions of Chinese farmers settled the future possession of the land. While Russia and Japan were engaged in delimiting their spheres of interest, Chinese farmers took possession of the soil, and Manchuria is now unalterably Chinese. Since the Russian revolution of 1917, China began to take a more active part in the government and development of the country. In recent years she has tried to diminish Japan's influence in South Manchuria. Growing friction resulted from that policy, the culminating point of which was reached in September, 1931.

Chang Tso-lin and His Policy

The Chapter describes the state of the administration and the policy followed in Manchuria at the time of Marshal Chang Tso-lin and Marshal Chang Hsueh-liang. Marshal Chang Tso-lin declared at different times its independence from the Peking Government, but this declaration never meant that he or the people of Manchuria wished to be separated from China. His armies did not invade China as if it were a foreign country, but merely as participants in the civil war. Through all its wars and periods of independence Manchuria remained an integral part of China. Although not in agreement with the doctrines of the Kuomintang, Marshal Chang Tso-lin desired the unification of China, and his policy with regard to the spheres of interest of the U.S.S.R., and Japan shows that he would have liquidated both if he could have done so. He almost succeeded in doing this in the case of the sphere of the U.S.S.R., and initiated the policy of railway construction, a result of which was to cut off the South Manchuria Railway from some of its feeder districts. After the mysterious murder of Marshal Chang Tso-lin, Marshal Chang Hsueh-liang, against Japanese advice, entertained closer relations with the Kuomintang and with Nanking, and in December, 1928, declared his allegiance to the central Government. In reality the old system of military rule in Manchuria continued to function as before; but, under the influence of the Kuomintang, nationalist propaganda and anti-Japanese agitation became more active.

The Commission found grave complaints concerning nepotism, corruption and mal-administration in Manchuria before September, 1931, to be widely current. This state of affairs, however, was not peculiar to Manchuria, as similar, or even worse, conditions existed in other parts of China.

Whatever the shortcomings of the administration, efforts were made in some parts of the country to improve the administration and certain achievements must be noted, particularly in the field of educational progress, municipal administration, and public utility work. It is emphasised in particular that during this period, under the administration of Marshal Chang Tso-lin and Marshal Chang Hsueh-liang, the Chinese population and Chinese interests played a much greater part than formerly in the development and organisation of the economic resources of Manchuria.

Russia's Relations with Manchuria

The Chapter then describes the various stages through which the relations between Russia (or U.S.S.R.) and Manchuria have passed, since the contract for the construction of the Chinese Eastern Railway and the conclusion of a Treaty of Alliance in 1896. It mentions the lease of the Liaotung Peninsula to Russia in 1898; the Russian occupation of Manchuria in 1900; the Russo-Japanese war and the Treaty of Portsmouth; the effect in Manchuria of the Russian revolution of 1917 and of the Allied intervention of 1918—1920; the Sino-Soviet agreement of 1924; the incidents following Marshal Chang Tso-lin's aggressive policy against the interests of the U.S.S.R. and the military invasion of part of northern Manchuria by the forces of the U.S.S.R. in 1929, ended by the Protocol of Habarovsk of December, 1929, which re-established the *status quo*. Finally, reference is made to the relations between Russia and Japan since 1905, in repect of the Manchurian question.

The policy of co-operation in Manchuria followed by Japan and Russia between the Treaty of Portsmouth and the Russian revolution was brought to an end by the Russian revolution and the Allied intervention in Siberia. Moreover, the attitude of the Soviet Government gave a strong impetus to China's nationalistic aspirations, and it seemed probable to Japan that the Soviet Government would support China in the struggle for the recovery of sovereign rights. This development revived all the old anxieties of Japan towards her Russian neighbor. The possibility of a danger from across the north Manchurian border became a matter of concern to Japan. The likelihood of an alliance between the communist doctrines in the North and the anti-Japanese propaganda of the Kuomintang in the South made the desire increasingly felt to impose between the two a Manchuria which would be free from both. Japanese misgivings have been still further increased in the last few years by the predominant influence acquired by the U.S.S.R., in Outer Mongolia, and the growth of communism in China.

Events Previous to Last September

Chapter III describes the main Manchurian issues between Japan and China before September 18, 1931. During the preceding quarter of a century the ties which bound Manchuria to the rest of China were growing stronger, and at the same time the interests of Japan in Manchuria were increasing. Manchuria was admittedly a part of China, but it was a part in which Japan had acquired such exceptional rights, so restricting the exercise of China's sovereign rights, that a conflict between the two countries was a natural result. These exceptional rights are chiefly based on the Treaty of Peking of 1905, following the Treaty of Portsmouth, and on the Treaty of 1915, known as the "Twenty-one Demands," as well as on various railway contracts. The list of these rights shows the exceptional character of the political, economic and legal relations created between Japan and China in Manchuria. There is probably nowhere in the territory of a neighbouring State such extensive economic and administrative privileges. A situation of this kind could possibly be maintained without leading to incessant complications and disputes if it were freely desired, or accepted, on both sides, and if it were the sign and embodiment of a well-considered policy of close collaboration in the economic and in the political sphere. But, in the absence of those conditions, it could lead to friction and conflict.

Japanese Claim to Special Position

The Chapter describes the conflict between the fundamental interests of Japan and China in Manchuria, as reflected in the attitude and policies of the two Governments in the years preceding the events of September, 1931. The Chinese consider Manchuria as the granary of China, and also as China's first line of defence; the Japanese attitude is determined by historical and sentimental associations, by strategic preoccupations, and by economic interests. Patriotic sentiment, the paramount need of military defence, and the exceptional Treaty rights, all combine to create the Japanese claim to a "special position" in Manchuria. This claim conflicts with the sovereign rights of China and is irreconcilable with the aspirations of the national Government, which seeks to curtail existing exceptional rights and privileges of foreign States throughout China and to prevent their further extension in the future. The claim to a "special position" was even sometimes interpreted in Japan as entitling Japan to intervene, if necessary, for the maintenance of peace and order in Manchuria.

This fundamental conflict of attitudes and policies gave rise to a number of specific issues between the Chinese and Japan authorities as to the interpretation and application of the complex treaties and agreements in force, or claimed to be in force, between the two countries. An analysis is given of the more important of these issues: issues arising out of the Treaty of Peking of 1905 and question of the "parallel railways;" issues arising out of numerous railway contracts; issues arising out of the Treaty of 1915,—rights of Japanese subjects to lease land and settle in Manchuria, administration of the railway zone of the South Manchuria Railway, exercise of certain rights by the Japanese Consular police, status of Koreans, etc. The tension became more acute in 1931. The Wanpaoshan affair and the anti-Chinese riots in Korea, as also the question of the murder of Captain Nakamura, in the summer of 1931, are finally taken into full account.

By the end of August, 1931, therefore, Sino-Japanese relations over Manchuria were severely strained in consequence of the many controversies and incidents described. Each side had legitimate grievances against the other. Some efforts were being made to dispose of these questions by the normal procedure of diplomatic negotiation; but the long delays put a severe strain on the patience of the Japanese. Army circles in Japan, in particular, were insisting on the immediate settlement of the Naka-

2. The more recent, specific issues which immediately preceded the actual outbreak of the dispute were then examined, and the course of events since September 18, 1931, described. Throughout this review of the issues, the Commission states that it has insisted less on the responsibility for past action than on the necessity of finding means to avoid their repetition in the future.

3. Finally, the Report concludes with some reflections and considerations submitted to the Council upon the various issues with which it is confronted, and with some suggestions on the lines on which it seems possible to the Commission to effect a durable solution of the conflict and the re-establishment of a good understanding between Japan and China.

The Itinerary Followed

Before reaching Manchuria contact was established with the Government of Japan and China and with representatives of various shades of opinion in both countries, in order to ascertain the nature of their respective interests. The Commission arrived in Tokyo on February 29; stayed in Shanghai From March 14 to 26 and in Nanking from March 26 to April 1; travelled through China until Peking was reached on April 9, and then proceeded to Manchuria, where it remained for about six weeks until June 4, visiting the principal cities of that region. After a second visit to Peking and Tokyo in June and July, the Commission finally settled down in Peking on July 20, where the drafting of the Report was undertaken..

Background of Conflict

Chapters I, II and III explain how the events in Mukden of September 18, 1931, were but the outcome of a long chain of minor occasions of friction, indicating a growing tension in the relations between China and Japan.

A knowledge of the essential factors in the recent relations of the two countries is necessary to a complete understanding of the present conflict. The national aspirations of the Republic of China, the expansionist policy of the Japanese Empire and of the former Russian Empire, the present dissemination of communism from the U.S.S.R., the economic and strategic needs of these three countries: such matters are considered as factors of fundamental importance in any study of the Manchurian problem. A description of some of the most important specific issues between China and Japan in Manchuria before September, 1931, is also essential to determine why, and how, Manchuria has become a centre of conflict, and what problems ought to be dealt with in view of a permanent settlement of the dispute, if his state of conflict is to be replaced in the future by a real reconciliation of fundamental interests.

Developments in China

The dominating factor in China is the modernisation of the nation itself, which is slowly taking place. China today is a nation in evolution, showing evidence of transition in all aspects of its national life. Political upheavals, civil wars, social and economic unrest, with the resulting weakness of the central government, have been the characteristics of China since the revolution of 1911. These conditions have adversely affected all the nations with which China has been brought into contact, and until remedied will continue to be a menace to world peace and a contributory cause of world economic depression. A brief assurance is given in Chapter I of the stages by which the present conditions has been reached. This summary mentions the fall of the Manchu dynasty, the first years of the Republic, the period of civil wars and political unrest between 1914 and 1928; the formation of the Kuomintang under Dr. Sun Yat-sen; the establishment of the central Government at Nanking in 1927; the struggle between the central Government and the opposing elements; the development of communism in China; and the conflict between the central Government and the communist organisation in central China.

From this summary description it appears that disruptive forces in China are still powerful. The cause of this lack of cohesion is the tendency of the mass of the people to think in terms of family and locality, rather than in terms of the nation, except in periods of acute tension between their country and foreign Powers. Although there are nowadays a number of leaders who have risen above particularist sentiments, it is evident that a national outlook must be attained by a far greater number of citizens before a real national unity can result.

As regards communism in China, it is observed that this does not only mean, as in most countries, either a political doctrine held by certain members of existing parties, or the organisation of a special party to compete for power with other political parties. It has become an actual rival to the national Government. Moreover, the disturbance created by the communist war is made more serious by the fact that the country is going through a critical period of internal reconstruction, and has been still further complicated during the last eleven months by an external crisis of exceptional gravity. The problem of communism in China is linked with the larger problem of national reconstruction.

Although the spectacle of China's transitional period, with its unavoidable political, social, intellectual and moral disorders is disappointing to her impatient friends, and has created enmities which have been a danger to peace, the Commission finds, nevertheless, that, in spite of difficulties, delays and failures, considerable progress has in fact been made. This is clear from a comparison between the state of China now and in 1922, at the time of the Washington Conference. Although, at present, the Central Government's authority is still weak in a number of Provinces, the central authority is not, at least openly, repudiated, and there is reason to hope that, if the central Government, as such, can be maintained, provincial administrations, military forces, and finance will acquire an increasingly national character. The present Government has made efforts for Chinese reconstruction; in many things it has failed, but has already accomplished much.

Modern Chinese Nationalism

The nationalism of modern China is a normal aspect of the period of political transition through which the country is passing: but, in addition to the natural desire to be free from any outside control in a people that has become conscious of national unity, the influence of the Kuomintang has introduced into the nationalism of China an additional and abnormal tinge of bitterness against all foreign influences. Chapter I mentions the main claims of Chinese nationalism, the attitude of the foreign Powers towards these claims (particularly the question of the relinquishment of extra-territorial rights and its relation to the question of the proper maintenance of law and order in China). Having started upon the road of international co-operation for the purpose of solving her difficulties, as was done at Washington, China might have made more substantial progress in the ten years that have since elapsed had she continued to follow that road. She has only been hampered by the virulence of the anti-foreign propaganda which has been pursued. In two particulars has this been carried so far as to contribute to the creation of the atmosphere in which the present conflict arose, namely, the use made of the economic boycott and the introduction of anti-foreign propaganda into the schools.

In so far as Japan is China's nearest neighbor and largest customer, she has suffered more than any other Power from the conditions prevailing in China. But this issue, though affecting Japan to a greater extent than other Powers, is not a Sino-Japanese issue alone. The present extreme case of international friction should, if a satisfactory settlement can be effected through the League of Nations, convince China of the advantages of the policy of international co-operation which was inaugurated at Washington with such beneficial effects in 1922.

Manchuria, China and Russia

Chapter II contains a general description of Manchuria and of its relation with the rest of China and with Russia before September 1931. Manchuria—the Three Eastern Provinces—is described as a large, fertile region, only 40 years ago almost undeveloped, and even now still under-populated, which has assumed an increasingly important role in the solution of the surplus population problems of China and Japan. The provinces of Shantung and Hopei have poured millions of destitute farmers into Manchuria, while Japan has exported to that country her manufactured articles and capital, in exchange for food supplies and raw materials. Without Japan's activity, Manchuria could not have attracted and absorbed such a large population. Without the influx of Chinese farmers and laborers, Manchuria could not have developed so rapidly. Yet, Manchuria, so largely dependent on co-operation, was destined, for the reasons indicated, to become a region of conflict, at first between Russia and Japan, and later between China and her two powerful neighbors.

China, at first, showed little activity in the field of development in Manchuria. She almost allowed Manchuria to pass from her control to that of Russia. Even after

the Treaty of Portsmouth, which reaffirmed her sovereignty in Manchuria, the economic activity of Russia and Japan in developing those provinces figured more prominently than her own in the eyes of the world. Meanwhile, the immigration of millions of Chinese farmers settled the future possession of the land. While Russia and Japan were engaged in delimiting their spheres of interest, Chinese farmers took possession of the soil, and Manchuria is now unalterably Chinese. Since the Russian revolution of 1917, China began to take a more active part in the government and development of the country. In recent years she has tried to diminish Japan's influence in South Manchuria. Growing friction resulted from that policy, the culminating point of which was reached in September, 1931.

Chang Tso-lin and His Policy

The Chapter describes the state of the administration and the policy followed in Manchuria at the time of Marshal Chang Tso-lin and Marshal Chang Hsueh-liang. Marshal Chang Tso-lin declared at different times its independence from the Peking Government, but this declaration never meant that he or the people of Manchuria wished to be separated from China. His armies did not invade China as if it were a foreign country, but merely as participants in the civil war. Through all its wars and periods of independence Manchuria remained an integral part of China. Although not in agreement with the doctrines of the Kuomintang, Marshal Chang Tso-lin desired the unification of China, and his policy with regard to the spheres of interest of the U.S.S.R., and Japan shows that he would have liquidated both if he could have done so. He almost succeeded in doing this in the case of the sphere of the U.S.S.R., and initiated the policy of railway construction, a result of which was to cut off the South Manchuria Railway from some of its feeder districts. After the mysterious murder of Marshal Chang Tso-lin, Marshal Chang Hsueh-liang, against Japanese advice, entertained closer relations with the Kuomintang and with Nanking, and in December, 1928, declared his allegiance to the central Government. In reality the old system of military rule in Manchuria continued to function as before; but, under the influence of the Kuomintang, nationalist propaganda and anti-Japanese agitation became more active.

The Commission found grave complaints concerning nepotism, corruption and maladministration in Manchuria before September, 1931, to be widely current. This state of affairs, however, was not peculiar to Manchuria, as similar, or even worse, conditions existed in other parts of China.

Whatever the shortcomings of the administration, efforts were made in some parts of the country to improve the administration and certain achievements must be noted, particularly in the field of educational progress, municipal administration, and public utility work. It is emphasised in particular that during this period, under the administration of Marshal Chang Tso-lin and Marshal Chang Hsueh-liang, the Chinese population and Chinese interests played a much greater part than formerly in the development and organisation of the economic resources of Manchuria.

Russia's Relations with Manchuria

The Chapter then describes the various stages through which the relations between Russia (or U.S.S.R.) and Manchuria have passed, since the contract for the construction of the Chinese Eastern Railway and the conclusion of a Treaty of Alliance in 1896. It mentions the lease of the Liaotung Peninsula to Russia in 1898; the Russian occupation of Manchuria in 1900; the Russo-Japanese war and the Treaty of Portsmouth; the effect in Manchuria of the Russian revolution of 1917 and of the Allied intervention of 1918—1920; the Sino-Soviet agreement of 1924; the incidents following Marshal Chang Tso-lin's aggressive policy against the interests of the U.S.S.R. and the military invasion of part of northern Manchuria by the forces of the U.S.S.R. in 1929, ended by the Protocol of Habarovsk of December, 1929, which re-established the *status quo*. Finally, reference is made to the relations between Russia and Japan since 1905, in repect of the Manchurian question.

The policy of co-operation in Manchuria followed by Japan and Russia between the Treaty of Portsmouth and the Russian revolution was brought to an end by the Russian revolution and the Allied intervention in Siberia. Moreover, the attitude of the Soviet Government gave a strong impetus to China's nationalistic aspirations, and it seemed probable to Japan that the Soviet Government would support China in the struggle for the recovery of sovereign rights. This development revived all the old anxieties of Japan towards her Russian neighbor. The possibility of a danger from across the north Manchurian border became a matter of concern to Japan. The likelihood of an alliance between the communist doctrines in the North and the anti-Japanese propaganda of the Kuomintang in the South made the desire increasingly felt to impose between the two a Manchuria which would be free from both. Japanese misgivings have been still further increased in the last few years by the predominant influence acquired by the U.S.S.R., in Outer Mongolia, and the growth of communism in China.

Events Previous to Last September

Chapter III describes the main Manchurian issues between Japan and China before September 18, 1931. During the preceding quarter of a century the ties which bound Manchuria to the rest of China were growing stronger, and at the same time the interests of Japan in Manchuria were increasing. Manchuria was admittedly a part of China, but it was a part in which Japan had acquired such exceptional rights, so restricting the exercise of China's sovereign rights, that a conflict between the two countries was a natural result. These exceptional rights are chiefly based on the Treaty of Peking of 1905, following the Treaty of Portsmouth, and on the Treaty of 1915, known as the "Twenty-one Demands," as well as on various railway contracts. The list of these rights shows the exceptional character of the political, economic and legal relations created between Japan and China in Manchuria. There is probably nowhere in the territory of a neighbouring State such extensive economic and administrative privileges. A situation of this kind could possibly be maintained without leading to incessant complications and disputes if it were freely desired, or accepted, on both sides, and if it were the sign and embodiment of a well-considered policy of close collaboration in the economic and in the political sphere. But, in the absence of those conditions, it could lead to friction and conflict.

Japanese Claim to Special Position

The Chapter describes the conflict between the fundamental interests of Japan and China in Manchuria, as reflected in the attitude and policies of the two Governments in the years preceding the events of September, 1931. The Chinese consider Manchuria as the granary of China, and also as China's first line of defence; the Japanese attitude is determined by historical and sentimental associations, by strategic preoccupations, and by economic interests. Patriotic sentiment, the paramount need of military defence, and the exceptional Treaty rights, all combine to create the Japanese claim to a "special position" in Manchuria. This claim conflicts with the sovereign rights of China and is irreconcilable with the aspirations of the national Government, which seeks to curtail existing exceptional rights and privileges of foreign States throughout China and to prevent their further extension in the future. The claim to a "special position" was even sometimes interpreted in Japan as entitling Japan to intervene, if necessary, for the maintenance of peace and order in Manchuria.

This fundamental conflict of attitudes and policies gave rise to a number of specific issues between the Chinese and Japan authorities as to the interpretation and application of the complex treaties and agreements in force, or claimed to be in force, between the two countries. An analysis is given of the more important of these issues: issues arising out of the Treaty of Peking of 1905 and question of the "parallel railways;" issues arising out of numerous railway contracts; issues arising out of the Treaty of 1915,—rights of Japanese subjects to lease land and settle in Manchuria, administration of the railway zone of the South Manchuria Railway, exercise of certain rights by the Japanese Consular police, status of Koreans, etc. The tension became more acute in 1931. The Wanpaoshan affair and the anti-Chinese riots in Korea, as also the question of the murder of Captain Nakamura, in the summer of 1931, are finally taken into full account.

By the end of August, 1931, therefore, Sino-Japanese relations over Manchuria were severely strained in consequence of the many controversies and incidents described. Each side had legitimate grievances against the other. Some efforts were being made to dispose of these questions by the normal procedure of diplomatic negotiation; but the long delays put a severe strain on the patience of the Japanese. Army circles in Japan, in particular, were insisting on the immediate settlement of the Naka-

mura case. The Imperial ex-Soldiers' Association, among others, was instrumental in rousing public opinion. Settlement of all pending issues, if necessary by force, became a popular slogan.

Breaking Point on September 28

Chapter IV describes how this growing tension came to the breaking-point on the night of September 18. The Japanese and Chinese versions of the events of that night are different and contradictory.

The Commission interviewed as many as possible of the representative foreigners, including newspaper correspondents, who had been in Mukden at the time of the occurrences or soon thereafter. As a result it has come to the following conclusions:

"Tense feeling undoubtedly existed between the Japanese and Chinese military forces.

"The Japanese, as was explained to the Commission in evidence, had a carefully-prepared plan to meet the occasion of possible hostilities between themselves and the Chinese.

"On the night of September 18, 1931, this plan was put into operation with swiftness and precision.

"The Chinese, in accordance with their instructions, had no plan of attacking the Japanese troops, or of endangering the lives or property of Japanese nationals at this particular time or place. They made no concerted or authorised attack on the Japanese forces, and were surprised by the Japanese attack and subsequent opererations.

"An explosion undoubtedly occurred on or near the railroad between 10.00 and 10.30 p.m. on September 18, but the damage, if any, to the railroad did not in fact prevent the punctual arrival of the south-bound train from Changchun, and was not in itself sufficient to justify military action.

"The military operations of the Japanese during this night cannot be regarded as measures of legitimate self-defence.

"In saying this the Commission does not exclude the hypothesis that the officers on the spot may have thought they were acting in self-defence."

The Chapter then goes on to give a description of the distribution of Japanese troops in Manchuria and their movements on and after the night of September 18. The occupation of Changchun on September 18-19 and of Kirin on September 21; the bombing of Chinchow on October 8; the Nonni Bridge operations started in the middle of October and ended on November 19, 1931 with the occupation of Tsitsihar by the Japanese troops, are reviewed in detail.

Incidents Occur in Tientsin

In the meantime, incidents occurred in Tientsin on November 8 and 26, the accounts of which are conflicting and obscure. The Report explains the effect of these disturbances on the situation in Manchuria, and also mentions as a consequence the departure of the former Emperor of China, who had been living in the Japanese Concession in Tientsin, for Port Arthur. A description is also given of the way in which, finally, on January 3, 1932, Chinchow was definitely occupied.

The Chapter then resumes its narration of the Japanese military operations in Northern Manchuria, including the occupation of Harbin, on February 5, and terminates with a review of the military operations to the end of August, 1932. It deals in detail with the guerilla warfare in different parts of Manchuria, where both regular and irregular Chinese troops still hold the field. They are opposed by both Japanese and "Manchukuo" forces. The Commission found it impossible to give a precise account of this fighting. Chinese authorities are naturally reluctant to give away exact information about such troops as are still offering resistance to the Japanese in Manchuria; while the Japanese authorities, on the other hand, are disposed to minimise the numbers and fighting value of forces still opposed to them.

Fighting Over a Wide Area

The Commission expresses the belief that it seems doubtful whether any change in the general situation in Manchuria is to be anticipated in the near future. At the time of the completion of the Report, fighting continued over a wide area. With regard to the military operations on the frontier of the provinces of Fengtien and Jehol, the report states that an extension of the area of conflict in this region is a contingency which must be reckoned with.

Spring Operations in Shanghai

Chapter V. deals with the story of the operations in Shanghai from February 20 until the final withdrawal of the Japanese troops, thus completing the report of the Consular Committee appointed by the League. The Commission states that its arrival in Shanghai on March 14 was opportune and may have helped to create a propitious atmosphere, although it did not enter into the Commission's duties to continue the work of the Consular Committee or to make a special study of the local events. After having analysed the agreement which was finally reached between the two parties, the Commission then goes on to express the conviction that the Shanghai Affair has, undoubtedly, exercised considerable influence upon the Manchurian situation, in so far as the Sino-Japanese conflict was brought home to the people throughout China with the result that the spirit of resistance increased, while in Manchuria, the news from Shanghai put fresh heart into the scattered forces still opposing the Japanese troops. The Chapter closes with an account of the incident of Nanking on February 1, 1932, the Chinese and Japanese versions of which are widely divergent.

Administration in "Manchukuo"

Chapter VI., deals with "Manchukuo" and is divided into three parts. The first part, "Stages in the formation of the 'new State'," commences by picturing the chaotic conditions resulting from the Japanese occupation of Mukden, and then goes on to describe the gradual restoration of order and civil administration, first in Mukden and afterwards in the Provinces. The establishment of the "new State," the appointment of Mr. Henry Pu-yi, the former Emperor, as provisional President, the inauguration ceremonies in Changchun on March 9, and the laws and regulations underlying the organisation of the "Manchukuo," then pass in review. This part of the Chapter terminates with the following conclusions:

"Since September 18, 1931, the activities of the Japanese military authorities, in civil as well as in military matters, were marked by essentially political considerations. The progressive military occupation of the Three Eastern Provinces removed in succession from the control of the Chinese authorities the towns of Tsitsihar, Chinchow and Harbin: finally, all the important towns of Manchuria; and following each occupation the civil administration was reorganised. It is clear that the Independence Movement which had never been heard of in Manchuria before September, 1931, was only made possible by the presence of the Japanese troops.

"A group of Japanese civil and military officials, both active and retired, conceived, organised, and carried through this movement, as a solution to the situation in Manchuria as it existed after the events of September 18.

Making Use of Chinese

"With this object they made use of the names and actions of certain Chinese individuals, and took advantage of certain minorities among the inhabitants who had grievances against the former administration.

"The evidence received from all sources has satisfied the Commission that while there were a number of factors which contributed the two which, in combination, to the creation of "Manchukuo," were most effective, and without which, in our judgment, the new State' could not have been formed, were the presence of Japanese troops and the activities of Japanese officials, both civil and military.

"It is also clear that the Japanese General Staff realised from the start, or at least in a short time, the use which could be made of such an autonomy movement. In consequence they provided assistance and gave direction to the organizers of the movement.

"For this reason the present régime cannot be considered to have been called into existence by a genuine and spontaneous independence movement."

Taking Over by New Regime

Part II, dealing with the *present Government of "Manchukuo,"* examines in detail its organisation from the constitutional and administrative point of view, and also with regard to public finance, education, justice and police, the army, monetary conditions, etc. It describes the way in which the new régime took over the Salt Gabelle and the Customs and Postal administrations, and finally contains the Commission's comments on this subject. In this connection, the Commission states that the program of the "Manchukuo" Government contains a number of liberal reforms, the application of which would be desirable not only in Manchuria but in the rest of China; in fact, many

of these reforms figure equally in the program of the Chinese Government.

The Commission expresses, however, the opinion that after making every allowance for the short time which has hitherto been at the disposal of the "Manchukuo Government" for carrying out this policy, and after paying due regard to the steps already taken, there is no indication that this "Government" will, in fact, be able to carry out many of its reforms.

As an example, the Commission mentions that "there seem to be serious obstacles in the way of realisation of the announced budgetary and currency reforms. A thorough program of reforms, orderly conditions and economic prosperity could not be realised in the conditions of insecurity and disturbance which existed in 1932."

As regards the "Government," in the public services, although the titular heads of the departments are Chinese residents in Manchuria, the main political administrative power rests in the hands of Japanese officials and advisers. The political and administration of the "Government" is such as to give to these officials and advisers opportunities not merely of giving technical advice but of actually controlling and directing the administration. They are doubtless not under the orders of the Tokyo Government, and their policy has not always coincided with the official policy either of the Japanese Government or of the Headquarters of the Kwantung Army. But in the case of all important problem these officials and advisers, some of whom were able to act more or less independently in the first days of the new organisation have been constrained more and more to follow the direction of Japanese official authority. This authority, in fact, by reason of the occupation of the country by its troops, by the dependence of the "Manchukuo Government" on these troops for the maintenance of the authority both internally and externally; in consequence, too, of the more and more important role entrusted to the South Manchuria Railway Company in the management of the railways under the jurisdiction of the "Manchukuo Government;" and, finally, by the presence of its consuls, as liaison agents, in the most important urban centres, possesses in every contingency the means of exercising an irresistible pressure. The liaison between the "Manchukuo Government" and Japanese official authority is still further emphasised by the recent appointment of a special ambassador, not officially accredited, but resident in the capital of Manchuria, exercising in his capacity of Governor-General of the Kwantung Leased Territory a control over the South Manchuria Railway Company and concentrating in the same office the authority of a diplomatic representative, the head of the consular service, and commander-in-chief of the Army of Occupation.

"The relations between 'Manchukuo' and Japan have hitherto been somewhat difficult to define, but the latest information in the possession of the Commission indicates that it is the intention of the Japanese Government to define them before long. A letter dated August 27, 1932, addressed to the Commission by the Japanese Assessor, states that the Special Ambassador, General Muto, 'left Tokyo on August 20 for Manchuria. On arrival the conclusion of a fundamental treaty concerning the establishment of friendly relations between Japan and Manchuria. The Government of Japan regards the conclusion of this treaty as a formal recognition of 'Manchukuo'."

Public Opinion in Manchuria

Part III. of this Chapter finally deals with the *attitude of the inhabitants of Manchuria towards* the new "State." The Commission starts by explaining that, owing to the circumstances in which the enquiry had to be made, the obtaining of evidence on this point presented some difficulties. The exceptional measures of protection taken to safeguard the Commission against dangers, real or supposed, had the effect of keeping away witnesses. Many Chinese were frankly afraid of even meeting the members of the Commission itself. Interviews were therefore arranged with considerable difficulty and secrecy. But in spite of these difficulties, private interviews were arranged with business men, bankers, teachers, doctors, police, tradesmen and others, in addition to the public interviews with various authorities.

The Commission also received over 1,500 written communications, some delivered by hand, the majority sent by post to different addresses. The information so received was checked as far as possible from neutral sources. The Commission then goes on to explain the state of mind of each group of the population with whom it has been in touch, and finally comes to the conclusion that, if "Manchukuo" seems to be supported by certain minority groups, "there is no general Chinese support for the "Manchukuo Government," which is regarded by the local Chinese as an instrument of the Japanese."

Japan's Interests and Boycott

Chapter VII draws attention to the fact that the struggle between China and Japan is not only of a military, but also of an economic nature, China using as a weapon against Japan the boycott of goods, ships, banks, etc., thus aiming at the complete severance of economic and financial relations with the other country.

The Commission, after having pointed out that increased industrialisation and export of manufactured goods is one of the principal means to which Japan looks as a solution for her population problem, and after having examined Japan's economic and financial interest in China, then goes on to study the boycott movement. It points out that the boycott, as used by the Chinese, results from century-old practices, and that the training and mental attitude thus acquired, combined with the modern nationalism of which the Kuomintang is the organised expression, constitute the present-day boycott movement, the effect of which on Sino-Japanese relations has been considerable both from a natural and from a psychological point of view.

Boycott Popular and Organized

The Commission has arrived at the conclusion that the Chinese boycott are both popular and organised. They originate in and are supported by strong national sentiment, but they are controlled and directed by organisation which can start or call them off, and they are enforced by methods which certainly amount to intimidation. While many separate bodies are involved in the organisation, the main, controlling organ is the Kuomintang. As far as the boycott methods are concerned, the Commission states that illegal acts have been constantly committed, but that in this connection a distinction should be made between acts committed directly against Japanese residents and these committed against Chinese offenders against the boycott rules with the avowed intention of causing damage to Japanese interests. Cases of the first type have been less frequent this time than during previous boycotts, but cases of the second type have been numerous.

In the opinion of the Commission the Chinese Government is responsible for not having sufficiently suppressed acts of this kind, and for having granted a certain direct assistance to the boycott movement. The Commission does not suggest that there is anything improper in the fact that Government departments should support the boycott movement, but only wishes to point out that official encouragement involves a measure of Government responsibility.

The claim of the Chinese Government that the boycott is a legitimate weapon of defence against military aggression by a stronger country, especially in cases where methods of arbitration have not previously been utilised, raises, according to the Commission, a question of a much wider character. No one can deny the right of the individual Chinese to refuse to buy Japanese goods, or the right of the Chinese, acting individually or in organised bodies, to make propaganda on behalf of this idea, always subject to the condition that the methods used do not infringe the laws of the land.

Whether, however, the organised application of the boycott to the trade of one particular country is consistent with friendly relations or in conformity with treaty obligations is rather a problem of international law than a subject for the enquiry of the Commission. The hope is expressed by the Commission that in the interests of all States this problem should be considered at an early date, and regulated by international agreement.

The Chapter closes by stating that the interdependence of the trade of China and Japan and the interest of both call for an economic rapprochement, but that there can be no such rapprochement so long as the political relations between them are so unsatisfactory as to call forth the use of military force by one, and the economic force of the boycott by the other.

Economic Interests in Manchuria

Chapter VIII deals briefly with economic interests in Manchuria, especially those of China and Japan. For the detailed study of these interests it refers to special memoranda annexed to the Report, which cover such questions as 'investments; Japan's economic relations with Manchuria; China's economic relations with that region; the chance for Japanese immigration to Manchuria; the part

played by China's immigration to Manchuria; Railway and currency question. In this chapter the Commission expresses its conviction that Japanese and Chinese economic interests in Manchuria, taken in themselves and apart from the political events of recent years, would lead to mutual undertanding and co-operation, and not to conflict. Their reconciliation is necessary if the existing resources and future economic possibilities in Manchuria are to be developed to the fullest possible extent.

The Commission also states that the principle of the Open Door should be maintained, not only from a legal but also from a practical point of view, and that its maintenance would be in the interests of Japan, Manchuria, and the rest of China.

Conditions of Settlement

In Chapter IX the Commission has concentrated its attention on the future. It points out that the proceding chapters have made it plain that the issues involved in the Sino-Japanese conflict are not as simple as they are often represented to be. This is not a case in which one country has declared war on another country without previously exhausting the opportunities for conciliation provided in the Covenant of the League of Nations. Neither is it a simple case of the violation of the frontier of one country by the armed forces of a neighbouring country, because in Manchuria there are many features without an exact parallel in other parts of the world. Nevertheless, it is a fact that, without declaration of war, a large area of what was indisputably Chinese territory has been forcibly seized and occupied by the armed forces of Japan and has, in consequence, been separated from and declared independent of the rest of China. The Japanese Government claims, moreover, that its act is consistent with its international obligations and also with the assurance given by its representative in Geneva. The Japanese Government justifies this claim by stating that all military operation have been legitimate acts of self-defence. Furthermore, the establishment of a new administration in Manchuria is justified on the ground that it was the act of the local population by a spontaneous assertion of their independence. Such genuine independence movements, it is claimed, are not prohibited by any international treaty. The Commission points out that it is this plea of justification which makes this particular conflict at once so complicated and so serious. The Commission has not thought it its function to argue the issue, but it has tried to provide sufficient material to enable the League of Nations to settle the dispute consistent with the honour, dignity and national interests of both the contending parties. Criticism alone will not accomplish this: there must also be practical efforts toward conciliation.

Status Quo Cannot be Restored

A mere restoration of the *status quo ante* would be no solution. Since the present conflict arose out of the conditions prevailing before last September, to restore these conditions would merely be invite a repetition of the trouble. It would be to treat the whole question therotically, and to leave out of account the realities of the situation.

The maintenance and recognition of the present regime in in Manchuria would be equally unsatisfactory. Such a solution does not appear to the Commission compatible with the fundamental principles of existing international obligations, nor with the good understanding between the two countries upon which peace in the Far East depends. It is opposed to the interests of China. It disdisregards the wishes of the people of Manchuria, and it is at least questionable whether it would ultimately serve the permanent interests of Japan.

About the feelings of the people of Manchuria towards the present regime there can really be no doubt, and China would not voluntarily accept as a lasting solution the complete separation of her Three Eastern Provinces. The analogy of the distant province of Outer Mongolia is not an entirely pertinent one, as Outer Mongolia is bound to China by no strong economic or socialties, and is sparsely inhabited by a population which is mainly non-Chinese. The situation in Manchuria is radically different from that in Outer Mongolia. The millions of Chinese farmers now settled permanently on the land have made Manchuria in many respects a simple extension of China south of the Wall. The Three Eastern Provinces have become almost as Chinese in race, culture, and national sentiment as the neighboring Provinces of Hopei and Shantung, from whence most of the immigrants came.

Apart from this, past experience has shown that those who control Manchuria have exercised a considerable influence on the affairs of the rest of China—at least of North China—and possess unquestionable strategic and political advantages. To cut off these Provinces from the rest of China, either legally or actually, would be to create for the future a serious irridentist problem which would endanger peace by keeping alive the hostility of China rendering probable the continued boycott of Japanese goods.

The Commission received from the Japanese Government a clear and valuable statement of the vital interests of their country in Manchuria. Without exaggerating the economic dependence of Japan on Manchuria, beyond the limits ascribed to it in a previous chapter, and certainly without suggesting that economic relationship entitled Japan to control the economic, still less the political, development of these Provinces, the Commission recognises the great importance of Manchuria in the economic development of Japan. Nor does it consider unreasonable her demand for the establishment of a stable government which would be capable of maintaining the order necessary for the economic development of the country. But such conditions can only be securely and effectively guaranteed by an administration which is in conformity with the wishes of the population, and which takes full account of their feelings and aspirations. And equally is it only in an atmosphere of external confidence and internal peace, very different from that now existing in the Far East, that the capital which is necessary for the rapid economic development of Manchuria will be forthcoming.

Japan's Dependence on China

In spite of the pressure of increasing overpopulation, the Japanese have not as yet fuily utilised their existing facilities for emigration, and the Japanese Government has not hitherto contemplated a large emigration of their people to Manchuria. But the Japanese do look to further industrialisation as a means to cope with the agrarian crisis and with the population problem. Such industrialisation would require further economic outlets, and the only large and relatively sure markets that Japan can find are in Asia and particularly in China.

Japan requires not only the Manchurian but the whole Chinese market, and the rise in the standard of living which will certainly follow the consolidation and modernisation of China should stimulate trade and raise the purchasing power of the Chinese market.

This economic rapprochement between Japan and China, which is of vital interest to Japan, is of equal interest to China, for China would find that a closer economic and technical collaboration with Japan would assist her in her primary task of national reconstruction. China could assist this rapprochement by restraining the more intolerant tendencies of her nationalism and by giving effective guarantees that as soon as cordial relations were re-established the practice of organised boycotts would not be revived. Japan, on her side, could facilitate this rapproachment by renouncing any attempt to solve the Manchurian problem by isolating it from the problem of her relations with China as a whole, in such a way as to make impossible the friendship and collaboration of China.

Life-Line of Japan Considered

It may, however, be less economic considerations than anxiety for her own security which has determined the actions and policy of Japan in Manchuria. It is especially in this connection that her statesmen and military authorities are accustomed to speak of Manchuria as the "lifeline of Japan." One can sympathise with such anxieties and try to appreciate the actions and motives of those who have to bear the heavy responsibility of securing the defence of their country against all eventualities. While acknowledging the interest of Japan in preventing Manchuria from serving as a base of operations directed against her own territory, and even her wish to be able to take all appropriate military measures if in certain circumstances the frontiers of Manchuria should be crossed by the forces of a foreign Power, it may still be questioned whether the military occupation of Manchuria for an indefinite period, involving, as it must, a heavy financial burden, is really the most effective way of ensuring against this external danger; and whether, in the event of aggression having to be resisted in this way, the Japanese troops in Manchuria would not be seriously embarrassed if they were surrounded by a restive or rebellious population backed by a hostile China. It is surely in the interest of Japan to consider also other possible solutions of the problem of security, which would be more in keeping with the principles on which rests the present peace organisation of the world, and analogous to arrangements conclud-

ed by other Great Powers in various parts of the world. She might even find it possible, with the sympathy and good will of the rest of the world, and at no cost to herself, to obtain better security than she will obtain by the costly method she is at present adopting.

Interests of the Other Powers

Apart from China and Japan, other Powers of the world have also important interests to defend in this Sino-Japanese conflict. Any real and lasting solution by agreement must be compatible with the stipulations of the multilateral treaties on which is based the peace organisation of the world. The considerations which actuated the representatives of the Powers at the Washington Conference are still valid. It is quite as much in the interests of the Powers now as it was in 1922 to assist the reconstruction of China and to maintain her sovereignty and her torritorial and administrative integrity as indispensable to the maintenance of peace.

Any disintegration of China might lead, perhaps rapidly, to serious international rivalries, which would become all the more bitter if they should happen to coincide with rivalries between divergent social systems. Finally, the interests of peace are the same the world over. Any loss of confidence in the application of the principles of the Covenant and of the Pact of Paris in any part of the world diminishes the value and efficacy of those principles everywhere.

The Commission states that it has not been able to obtain direct information as to the extent of the interests of the U.S.S.R. in Manchuria, nor to ascertain the views of the Government of the U.S.S.R. on the Manchurian question. But even without sources of direct information it cannot overlook the part played by Russia in Manchuria, nor the important interests which the U.S.S.R. have in that region as owners of the Chinese Eastern Railway, and of the territory beyond its north and northeast frontiers.

It is clear that any solution of the problem of Manchuria which ignored the important interests of the U.S.S.R. would risk a future breach of the peace and would not be permanent.

*
**

Condition for a Solution

These considerations, according to the Commission, are sufficient to indicate the lines on which a solution might be reached if the Governments of China and Japan could recognise the identity of their chief interests and were willing to make them include the maintenance of peace and the establishment of cordial relations with each other. As already stated, there is no question of returning to the conditions before September, 1931. A satisfactory regime for the future might be evolved out of the present one without any violent change. The general principles to which any satisfactory solution should conform would be the following:

1. Compatibility with the interests both China and Japan

Both countries are members of the League and each is entitled to claim the same consideration from the League. A solution from which both did not derive benefit would not be a gain to the cause of peace.

2. Consideration for the interests of U.S.S.R.

To make peace between two of the neighbouring countries without regard for the interests of the third would be neither just nor wise, nor in the interests of peace.

3. Conformity with existing multilateral treaties.

Any solution should conform to the provisions of the Covenant of the League of Nations, the Pact of Paris, and the Nine-Power Treaty of Washington.

4. Recognition of Japan's interests in Manchuria.

The rights and interests of Japan in Manchuria are facts which cannot be ignored, and any solution which failed to recognise them and to take into account also the historical associations of Japan with that country would not be satisfactory.

5. The establishment of new treaty relations between China and Japan

A re-statement of the respective rights, interests and responsibilities of both countries in Manchuria in new treaties, which shall be part of the settlement by agreement, is desirable if future friction is to be avoided, and mutual confidence and co-operation is to be restored.

6. Effective Provision for the Settlement of future disputes

As a corollary of the above, it is necessary that provision should be made for facilitating the prompt settlement of minor disputes as they arise.

7. Manchurian Autonomy

The government in Manchuria should be modified in such a way as to secure, consistently with the sovereignty and administrative integrity of China, a large measure of autonomy designed to meet the local conditions and special characteristics of the Three Provinces. The new civil regime must be so constituted and conducted as to satisfy the essential requirements of good government.

8. Internal Order and Security Against External Aggression

The internal order of the country should be secured by effective local gendarmerie force, and security against external aggression should be provided by the withdrawal of all armed forces other than gendarmerie and by the conclusion of a treaty of non-aggression between the countries interested.

9. Encouragement of an Economic Rapprochement between China and Japan

For this purpose a new commercial treaty between the two countries is desirable. Such a treaty should aim at placing on an equitable basis the commercial relations between the two countries and bringing them into conformity with their improved political relations.

10. International Co-operation in Chinese Reconstruction

Since the present political instablity in China is an obstacle to friendship with Japan and an anxiety to the rest of the world, as the maintenance of peace in the Far East is a matter of international concern; and since then conditions enumerated above cannot be fulfilled without a strong control Government in China, the final requisite for a satisfactory solution is temporary international co-operation in the internal reconstruction of China, as suggested by the late Dr. Sun Yat-sen.

Results Which May Be Expected

If the present situation could be modified in such a way as to satisfy these conditions, and embody these ideas, China and Japan would have achieved a solution of their difficulties which might be made the starting point of a new era of close understanding and political co-operation between them. If such a rapproachement is not secured, no solution, whatever its terms, can really be fruitful.

The Commission wonders whether it is really impossible to contemplate such a new relationship even in this hour of crisis. Young Japan is clamorous for strong measures in China and a policy of thoroughness in Manchuria. These who make these demands are tired of the delays and pinpricks of the pre-September period; they are impetuous, and impatient to gain their end. But even in Japan appropriate means must be found for the attainment of every end. After making the acquaintance of some of the more ardent exponents of this "positive" policy, and these especially who, with undoubted idealism and great personal devotion, have constituted themselves the pioneers of a delicate undertaking in the "Manchukuo" regime, it is impossible not to realise that at the heart of the problem for Japan her anxiety concerning the political development of modern China, and the future to which it is tending. This anxiety has led to action with the object of controlling that development and steering its course in directions which will secure the economic interests of Japan and satisfy strategic requirements for the fefence of her Empire.

Possibilities of Japan's Policy

Japanese opinion is nevertheless vaguely conscious that it is no longer practicable to have two separate policies, one for Manchuria and one for the rest of China. Even with her Manchurian interests as a goal, therefore, Japan might recognise and welcome sympathetically the renaissance of Chinese national sentiment; might make friends with it, guide it in her direction, and offer it support, if only to ensure that it does not seek support elsewhere.

In China, too, as thoughtful men have come to recognise that the vital problem, the real national problem, for their country is the reconstruction and modernisation of the State, they cannot fail to realise that this policy of reconstruction and modernisation, already initiated with so much promise of success, necessitates for its fulfilment the cultivation of friendly relations with all countries, and above all with that great nation which is their nearest neighbor. China needs, in political and economic matters, the co-operation of all the leading Powers, but especially valuable to her would be the friendly attitude of the Japanese Government and the economic co-operation of Japan in Manchuria. All the other claims of her newly-

awakened nationalism—legitimate and urgent though they may be—should be subordinated to this one dominating need for the effective internal reconstruction of the State.

Suggestions for the League

For the purpose of facilitating the final solution of the distinct causes of dispute between the two countries, the Commission presents in Chapter X some suggestions which are intended as an illustration of one way in which the conditions laid down in the proceding chapter might be met.

The Commission observes in this connection that even if the formal recognition of "Manchukuo" by Japan should take place before its report is considered in Geneva—an eventuality which the Commission says it cannot ignore—it does not think that its work will be rendered valuelcss. The Commission believes that in any case the Council will find that the report contains suggestions which would be helpful for its decision or for its recommendations to the two great Powers concerned.

The Commission then goes on to explain that it is with this object, while bearing in mind the principles of the League of Nations, the spirit and letter of the treaties concerning China and the general interests of peace, it has not overlooked existing realities and has taken account of the administrative machinery existing and in process of evolution in Manchuria.

It would be the function of the Council in the paramount interest of world peace, whatever may be the eventuality, to decide how the suggestions made in the Report may be extended and applied to events which are still developing from day to day, always with the object of securing a durable understanding between China and Japan by utilising all the sound forces, whether in ideals or persons, whether in thought or action, which are at present fermenting in Manchuria.

Plan for Advisory Conference

It is then suggested that if China and Japan agree to discuss the solution of their dispute along the lines indicated in Chapter 9, an Advisory Conference might be summoned as soon as possible for the purpose of recommending detailed proposals for the constitution of a special regime for the administration of the Three Eastern Provinces. Such a conference, it is suggested, might be composed of a representative of the Chinese and Japanese Governments and of two delegations representing the local population, one selected in a manner to be prescribed by the Chinese Government and one selected in a manner to be prescribed by the Japanese Government. If agreed between the parties, the assistance of neutral observers might be secured.

If the Conference were unable to reach an agreement on any particular point, it would submit to the Council the point of difference and the Council would then attempt to secure an agreed settlement on these points.

Simultaneously with the sitting of the Advisory Conference, matters at issue between Japan and China relating to respective rights and interests should be discussed separately, in this case also, if so agreed, with the help of neutral observers.

Form of Agreement to Be Reached

Finally, the Commission suggests that the results of these discussions and negotiations should be embodied in four separate instruments:

1 A Declaration by the Government of China, constituting a special administration for the Three Eastern Provinces in the terms recommended by the Advisory Conference.
2 A Sino-Japanese treaty dealing with Japan's interests.
3 A Sino-Japanese treaty of conciliation and arbitration, non-aggression and mutual assistance.
4 A Sino-Japanese Commercial Treaty.

It is also suggested that before the meeting of the Advisory Conference the broad outlines of the form of administration to be considered by that body should be agreed upon between the parties with the assistance of the Council.

When once these broad principles have been agreed upon beforehand, the fullest possible discretion as regard to details would be left to the representatives of the parties at the Advisory Conference, or when marking the treaties. Further reference to the Council of the League of Nations would only take place in the event of failure to agree.

After having explained the advantages claimed for this procedure, the Commission indicates the form in which the four instruments above mentioned might be put and the various points which might be settled by them. The Declaration would deal with such questions as the powers to be reserved to the central Government of China in Manchuria; the organisation of a gendarmerie; the appointment of foreign advisers for various branches of the Manchurian administration, etc.

Powers of Central Government

It is suggested that the powers to be reserved to the central Government should be the following:—

1 The control of general treaty and foreign relations not otherwise provided for; it being understood that the central Government would not enter into any international engagements inconsistent with the terms of the Declaration.
2 The control of the Customs, the Post Office, and the Salt Gabelle, and possibly of the administration of the stamp duty and the tobacco and wine taxes. The equitable division, between the central Government and the Three Eastern Provinces, of the net income from those revenues, would be determined by the Advisory Conference.
3 The power of appointment, at least in the first instance, of the Chief Executive of the Government of the Three Eastern Provinces in accordance with the procedure to be laid down in the Declaration. Vacancies would be filled in the same way, or by some system of selection in the Three Eastern Provinces, to be agreed upon by the Advisory Conference and inserted in the Declaration.
4 The power of issuing to the Chief Executive of the Three Eastern Provinces such instructions as might be necessary to ensure the carrying out of the international engagements entered into by the central Government of China in matters under the administration of the autonomous Goverenment of the Three Eastern Provinces.
5 Any additional powers agreed upon by the Conference.

All other powers would be vested in the autonomous Government of the Three Eastern Provinces.

Gendarmerie to Be Organized

It is suggested that a special gendarmerie should be organised, with the collaboration of foreign instructors, which would be the only armed force within the Three Eastern Provinces. The organisation of the gendarmerie should either be completed within a period to be specified in advance, or the time of its completion should be determined in accordance with a procedure to be laid down in the Declaration. As this special corps would be the only armed force in the territory of the Three Eastern Provinces, its organisation, when completed, should be followed by the retirement from this territory of all other armed forces, including any special bodies of police or railway guards, whether Chinese or Japanese.

Sino-Japanese Treaty

The Sino-Japanese treaty dealing with Japanese interests would have to deal principally with certain economic rights of Japanese nationals and with railway questions. The aims of this Treaty should be:—

1 The free participation of Japan in the economic development of Manchuria, which would not carry with it a right to control the country either economically or politically;
2 The continuance in the Province of Jehol of such rights as Japan now enjoys there:
3 An extension to the whole of Manchuria of the right to settle and lease land, coupled with some modification of the principle agreement regarding the operation of the railways.

The Sino-Japanese treaty of conciliation and arbitration, non-aggression and mutual assistance would provide for a Board of Conciliation and an Arbitration Tribunal. Contracting parties should also agree that Manchuria should gradually become a demilitarised area. With this object it would be provided that after the organisation of the gendarmerie had been effected any violation of the demilitarised territory by either of the parties or by a third party would constitute an act of aggression entitling the other party, or both parties in the case of a third party attack, to take whatever measures might be deemed advisable to defend the demilitarised territory, without prejudice to the right of the Council of the League to take action under the Covenant. If the Government of the U.S.S.R. desired to participate in the latter agreement, the appropriate clauses could be embodied in a separate, tri-partite agreement.

The Sino-Japanese Commercial Treaty would have as

its object the establishment of conditions which would encourage as much as possible the exchange of goods between China and Japan, while safeguarding the existing treaty rights of other countries. This treaty should also contain an undertaking by the Chinese Government to take all measures within its power to forbid and repress organised boycott movements against Japanese trade, without prejudice to the individual rights of Chinese consumers.

These suggestions and considerations regarding the objects of the proposed Declaration and Treaties are submitted by the Commission for the consideration of the Council of the League. The Commission adds that, whatever may be the details of future agreements, the essential point is that negotiations should be begun as soon as possible and should be conducted in a spirit of mutual confidence.

Chinese Press Comment on the Lytton Report

Disappointment and skepticism mark the general tone of editorials of the Chinese dailies in regard to the Report of the League's Commission of Inquiry, according to a survey made by the *Kuo Min* News Agency.

Not Frank Enough

The *China Times* says that the most glaring defect of the Lytton Report lies in the fact that it abstains from making frank and fearless adjudication of the responsibility for, as well as the rights and wrongs of, the controversy. Reading "between the lines," however the journal is convinced that the Commission thinks that the responsibility rests with Japan.

Dealing with the various chapters of the report, the journal says that there are many statements of a questionable nature. In this connection, the journal draws attention in particular to Chapter 1 in which reference is made to the so-called anti-foreign propaganda, and which contains an allegation to the effect that Japan "has suffered more than any other power from the conditions prevailing in China." It also questions the statesment in Chapter 2 that China has tried to diminish Japan's influence in South Manchuria and that "growing friction resulted from that policy." As the full text of the report is not yet available, the journal declares that it does not wish to commit itself definitely as to whether these statements represent an attempt on the part of the Commission to minimize Japan's responsibility.

Continuing, the journal considers Chapters 3, 4, 5 and 6 as presenting, on the whole, a truthful account of facts. It expresses surprise however that in Chapter 7 the Commission should have held the Chinese Government responsible for the anti-Japanese boycott.

After recapitulating the conditions of settlement and suggestions of the Commission as set forth in Chapters 9 and 10, the journal comes to the following conclusion:—

"After perusal of the whole summary of the Report, one is inclined to believe that in the drafting of their report, the Commission were laboring under the haunting consideration of the realities of Japanese military occupation of Chinese territory. Thus, while it is undeniable that the suggestions of the Commission, if actually carried out, would create a state of affairs much more desirable than the existing *status quo* in Manchuria, such suggestions are however absolutely untenable, if judged in the light of the spirit of Art. 10 of the League Covenant, Art. 1 of the Nine-Power Treaty or provisions of any of the Sino-Japanese treaties. In other words, the Report represents merely an attempt to strain the Covenant to meet the present facts, and is by no means an assessment and adjudication of facts in the light of the Covenant."

Shun Pao Approves

The *Shun Pao* expresses warm approval of the Commission's conclusions regarding the events of September 18, 1931 and the so-called "Manchukuo" as set forth respectively in Chapter 4 and 6. It quotes in particular the statement in Chapter 4 that "the military operations of the Japanese during this night cannot be regarded as measures of legitimate self-defence." It also lays stress on statements in Chapter 6 which tend to establish the fact that Japanese civil and military officials "organized and carried through" the so-called independence movement in Manchuria, and that "the present regime (Manchukuo) can not be considered to have been called into existence by a gunuine and spontaneous independence movement."

The journal expresses the view that, had the Commission been unfettered by the narrow terms of reference as laid down in the Council's resolution, it would have submitted a formula of settlement which would be in strict conformity with the letter and spirit of the League Covenant and other relevant international treaties. As it is, however, the Commission makes an absolutely uncalled-for digression in Chapters 3 and 7, in which it attempts respectively to review Manchurian issues between Japan and China before September 18, 1931, and to deal with the Chinese boycott and the Japanese economic interests. These chapters, according to the *Shun Pao*, serve only to confuse and obscure what appears to be a very truthful and fair assessment of facts. The journal withholds, however, its views regarding the two concluding chapters

Sinwanpao Critical

The attitude of the *Sinwanpao* is frankly critical. Concerning itself mainly with an examination of the conditions of settlement as set forth in Chapter 9, the journal calls attention particularly to Conditions 1, 3, 4, 8 and 10.

With reference to Condition 1 which calls for "compatibility with the interests of both China and Japan," the journal says that any really just settlement must be based upon right and justice and not upon the interests of the parties to the dispute. "Is the aggressor entitled to any consideration for her illegitimate interests?" the journal asks. Regarding Condition 8 which provides for the organization of a gendarmerie and the withdrawal of all armed forces, the *Sinwanpao* wants to know whether the term "armed forces" includes those of China. While Japan must naturally withdraw her troops from Chinese territory, it fails to see however why China should be denied the right of stationing armed forces in her own territory.

As regards Condition 10 relative to international cooperation in Chinese reconstruction, the journal voices the fear that this may amount to a measure of international control. At any rate, such a measure is likely to affect China's sovereignty and must therefore be given careful attention.

It concludes by asking what the National Government proposes to do, should the Japanese Government refuse to accept and abide by the report, or in case of new developments during the coming five weeks before the discussion of the report by the League Council?

China's Foreign Minister Comments on the Lytton Report

Dr. Lo Wen-kan, Minister for Foreign Affairs, issued a statement at Nanking October 3 commenting on the Lytton Report. After quoting the words of M. Briand, who presented the resolution of December 10 to the League Council for consideration and acceptance, "the terms of reference are wide in principle, and no question which it feels called upon to study will be excluded, provided the question relates to any circumstances which, affecting international relations, threaten to disturb peace between China and Japan or the good understanding between them upon which, peace depends,"

Dr. Lo said:—"In so far as its duties are concerned, the Commission was therefore perfectly correct in interpreting them to include an examination of all the relevant facts and the submission to the League of recommendations leading to an amicable solution of the dispute.

"From a cursory reading of the Report, one feels that two points have been brought out in a most striking manner: one is that Japanese military operations on and subsequent to September 18, 1931, were unjustified and cannot be regarded as measures of self-defence, and the other is that the so-called Manchukuo regime was not created by a genuine and spontaneous independence movement but owes its existence to the presence of Japanese troops and the activities of Japanese officials, both civil and military.

"The Report, which contains many questions of utmost importance, is being carefully examined by the authorities of the Chinese Government."

awakened nationalism—legitimate and urgent though they may be—should be subordinated to this one dominating need for the effective internal reconstruction of the State.

Suggestions for the League

For the purpose of facilitating the final solution of the distinct causes of dispute between the two countries, the Commission presents in Chapter X some suggestions which are intended as an illustration of one way in which the conditions laid down in the proceding chapter might be met.

The Commission observes in this connection that even if the formal recognition of "Manchukuo" by Japan should take place before its report is considered in Geneva—an eventuality which the Commission says it cannot ignore—it does not think that its work will be rendered valueless. The Commission believes that in any case the Council will find that the report contains suggestions which would be helpful for its decision or for its recommendations to the two great Powers concerned.

The Commission then goes on to explain that it is with this object, while bearing in mind the principles of the League of Nations, the spirit and letter of the treaties concerning China and the general interests of peace, it has not overlooked existing realities and has taken account of the administrative machinery existing and in process of evolution in Manchuria.

It would be the function of the Council in the paramount interest of world peace, whatever may be the eventuality, to decide how the suggestions made in the Report may be extended and applied to events which are still developing from day to day, always with the object of securing a durable understanding between China and Japan by utilising all the sound forces, whether in ideals or persons, whether in thought or action, which are at present fermenting in Manchuria.

Plan for Advisory Conference

It is then suggested that if China and Japan agree to discuss the solution of their dispute along the lines indicated in Chapter 9, an Advisory Conference might be summoned as soon as possible for the purpose of recommending detailed proposals for the constitution of a special regime for the administration of the Three Eastern Provinces. Such a conference, it is suggested, might be composed of a representative of the Chinese and Japanese Governments and of two delegations representing the local population, one selected in a manner to be prescribed by the Chinese Government and one selected in a manner to be prescribed by the Japanese Government. If agreed between the parties, the assistance of neutral observers might be secured.

If the Conference were unable to reach an agreement on any particular point, it would submit to the Council the point of difference and the Council would then attempt to secure an agreed settlement on these points.

Simultaneously with the sitting of the Advisory Conference, matters at issue between Japan and China relating to respective rights and interests should be discussed separately, in this case also, if so agreed, with the help of neutral observers.

Form of Agreement to Be Reached

Finally, the Commission suggests that the results of these discussions and negotiations should be embodied in four separate instruments:

1 A Declaration by the Government of China, constituting a special administration for the Three Eastern Provinces in the terms recommended by the Advisory Conference.
2 A Sino-Japanese treaty dealing with Japan's interests.
3 A Sino-Japanese treaty of conciliation and arbitration, non-aggression and mutual assistance.
4 A Sino-Japanese Commercial Treaty.

It is also suggested that before the meeting of the Advisory Conference the broad outlines of the form of administration to be considered by that body should be agreed upon between the parties with the assistance of the Council.

When once these broad principles have been agreed upon beforehand, the fullest possible discretion as regard to details would be left to the representatives of the parties at the Advisory Conference, or when marking the treaties. Further reference to the Council of the League of Nations would only take place in the event of failure to agree.

After having explained the advantages claimed for this procedure, the Commission indicates the form in which the four instruments above mentioned might be put and the various points which might be settled by them. The Declaration would deal with such questions as the powers to be reserved to the central Government of China in Manchuria; the organisation of a gendarmerie; the appointment of foreign advisers for various branches of the Manchurian administration, etc.

Powers of Central Government

It is suggested that the powers to be reserved to the central Government should be the following:—

1 The control of general treaty and foreign relations not otherwise provided for; it being understood that the central Government would not enter into any international engagements inconsistent with the terms of the Declaration.
2 The control of the Customs, the Post Office, and the Salt Gabelle, and possibly of the administration of the stamp duty and the tobacco and wine taxes. The equitable division, between the central Government and the Three Eastern Provinces, of the net income from those revenues, would be determined by the Advisory Conference.
3 The power of appointment, at least in the first instance, of the Chief Executive of the Government of the Three Eastern Provinces in accordance with the procedure to be laid down in the Declaration. Vacancies would be filled in the same way, or by some system of selection in the Three Eastern Provinces, to be agreed upon by the Advisory Conference and inserted in the Declaration.
4 The power of issuing to the Chief Executive of the Three Eastern Provinces such instructions as might be necessary to ensure the carrying out of the international engagements entered into by the central Government of China in matters under the administration of the autonomous Goverenment of the Three Eastern Provinces.
5 Any additional powers agreed upon by the Conference.

All other powers would be vested in the autonomous Government of the Three Eastern Provinces.

Gendarmerie to Be Organized

It is suggested that a special gendarmerie should be organised, with the collaboration of foreign instructors, which would be the only armed force within the Three Eastern Provinces. The organisation of the gendarmerie should either be completed within a period to be specified in advance, or the time of its completion should be determined in accordance with a procedure to be laid down in the Declaration. As this special corps would be the only armed force in the territory of the Three Eastern Provinces, its organisation, when completed, should be followed by the retirement from this territory of all other armed forces, including any special bodies of police or railway guards, whether Chinese or Japanese.

Sino-Japanese Treaty

The Sino-Japanese treaty dealing with Japanese interests would have to deal principally with certain economic rights of Japanese nationals and with railway questions. The aims of this Treaty should be:—

1 The free participation of Japan in the economic development of Manchuria, which would not carry with it a right to control the country either economically or politically;
2 The continuance in the Province of Jehol of such rights as Japan now enjoys there:
3 An extension to the whole of Manchuria of the right to settle and lease land, coupled with some modification of the principle agreement regarding the operation of the railways.

The Sino-Japanese treaty of conciliation and arbitration, non-aggression and mutual assistance would provide for a Board of Conciliation and an Arbitration Tribunal. Contracting parties should also agree that Manchuria should gradually become a demilitarised area. With this object it would be provided that after the organisation of the gendarmerie had been effected any violation of the demilitarised territory by either of the parties or by a third party would constitute an act of aggression entitling the other party, or both parties in the case of a third party attack, to take whatever measures might be deemed advisable to defend the demilitarised territory, without prejudice to the right of the Council of the League to take action under the Covenant. If the Government of the U.S.S.R. desired to participate in the latter agreement, the appropriate clauses could be embodied in a separate, tri-partite agreement.

The Sino-Japanese Commercial Treaty would have as

its object the establishment of conditions which would encourage as much as possible the exchange of goods between China and Japan, while safeguarding the existing treaty rights of other countries. This treaty should also contain an undertaking by the Chinese Government to take all measures within its power to forbid and repress organised boycott movements against Japanese trade, without prejudice to the individual rights of Chinese consumers.

These suggestions and considerations regarding the objects of the proposed Declaration and Treaties are submitted by the Commission for the consideration of the Council of the League. The Commission adds that, whatever may be the details of future agreements, the essential point is that negotiations should be begun as soon as possible and should be conducted in a spirit of mutual confidence.

Chinese Press Comment on the Lytton Report

Disappointment and skepticism mark the general tone of editorials of the Chinese dailies in regard to the Report of the League's Commission of Inquiry, according to a survey made by the *Kuo Min* News Agency.

Not Frank Enough

The *China Times* says that the most glaring defect of the Lytton Report lies in the fact that it abstains from making frank and fearless adiudication of the responsibility for, as well as the rights and wrongs of, the controversy. Reading "between the lines," however the journal is convinced that the Commission thinks that the responsibility rests with Japan.

Dealing with the various chapters of the report, the journal says that there are many statements of a questionable nature. In this connection, the journal draws attention in particular to Chapter 1 in which reference is made to the so-called anti-foreign propaganda, and which contains an allegation to the effect that Japan "has suffered more than any other power from the conditions prevailing in China." It also questions the statesment in Chapter 2 that China has tried to diminish Japan's influence in South Manchuria and that "growing friction resulted from that policy." As the full text of the report is not yet available, the journal declares that it does not wish to commit itself definitely as to whether these statements represent an attempt on the part of the Commission to minimize Japan's responsibility.

Continuing, the journal considers Chapters 3, 4, 5 and 6 as presenting, on the whole, a truthful account of facts. It expresses surprise however that in Chapter 7 the Commission should have held the Chinese Government responsible for the anti-Japanese boycott.

After recapitulating the conditions of settlement and suggestions of the Commission as set forth in Chapters 9 and 10, the journal comes to the following conclusion:—

"After perusal of the whole summary of the Report, one is inclined to believe that in the drafting of their report, the Commission were laboring under the haunting consideration of the realities of Japanese military occupation of Chinese territory. Thus, while it is undeniable that the suggestions of the Commission, if actually carried out, would create a state of affairs much more desirable than the existing *status quo* in Manchuria, such suggestions are however absolutely untenable, if judged in the light of the spirit of Art. 10 of the League Covenant, Art. 1 of the Nine-Power Treaty or provisions of any of the Sino-Japanese treaties. In other words, the Report represents merely an attempt to strain the Covenant to meet the present facts, and is by no means an assessment and adjudication of facts in the light of the Covenant."

Shun Pao Approves

The *Shun Pao* expresses warm approval of the Commission's conclusions regarding the events of September 18, 1931 and the so-called "Manchukuo" as set forth respectively in Chapter 4 and 6. It quotes in particular the statement in Chapter 4 that "the military operations of the Japanese during this night cannot be regarded as measures of legitimate self-defence." It also lays stress on statements in Chapter 6 which tend to establish the fact that Japanese civil and military officials "organized and carried through" the so-called independence movement in Manchuria, and that "the present regime (Manchukuo) can not be considered to have been called into existence by a gunuine and spontaneous independence movement."

The journal expresses the view that, had the Commission been unfettered by the narrow terms of reference as laid down in the Council's resolution, it would have submitted a formula of settlement which would be in strict conformity with the letter and spirit of the League Covenant and other relevant international treaties. As it is, however, the Commission makes an absolutely uncalled-for digression in Chapters 3 and 7, in which it attempts respectively to review Manchurian issues between Japan and China before September 18, 1931, and to deal with the Chinese boycott and the Japanese economic interests. These chapters, according to the *Shun Pao*, serve only to confuse and obscure what appears to be a very truthful and fair assessment of facts. The journal withholds, however, its views regarding the two concluding chapters

Sinwanpao Critical

The attitude of the *Sinwanpao* is frankly critical. Concerning itself mainly with an examination of the conditions of settlement as set forth in Chapter 9, the journal calls attention particularly to Conditions 1, 3, 4, 8 and 10.

With reference to Condition 1 which calls for "compatibility with the interests of both China and Japan," the journal says that any really just settlement must be based upon right and justice and not upon the interests of the parties to the dispute. "Is the aggressor entitled to any consideration for her illegitimate interests?" the journal asks. Regarding Condition 8 which provides for the organization of a gendarmerie and the withdrawal of all armed forces, the *Sinwanpao* wants to know whether the term "armed forces" includes those of China. While Japan must naturally withdraw her troops from Chinese territory, it fails to see however why China should be denied the right of stationing armed forces in her own territory.

As regards Condition 10 relative to international cooperation in Chinese reconstruction, the journal voices the fear that this may amount to a measure of international control. At any rate, such a measure is likely to affect China's sovereignty and must therefore be given careful attention.

It concludes by asking what the National Government proposes to do, should the Japanese Government refuse to accept and abide by the report, or in case of new developments during the coming five weeks before the discussion of the report by the League Council?

China's Foreign Minister Comments on the Lytton Report

Dr. Lo Wen-kan, Minister for Foreign Affairs, issued a statement at Nanking October 3 commenting on the Lytton Report. After quoting the words of M. Briand, who presented the resolution of December 10 to the League Council for consideration and acceptance, "the terms of reference are wide in principle, and no question which it feels called upon to study will be excluded, provided the question relates to any circumstances which, affecting international relations, threaten to disturb peace between China and Japan or the good understanding between them upon which, peace depends,"

Dr. Lo said:—"In so far as its duties are concerned, the Commission was therefore perfectly correct in interpreting them to include an examination of all the relevant facts and the submission to the League of recommendations leading to an amicable solution of the dispute.

"From a cursory reading of the Report, one feels that two points have been brought out in a most striking manner: one is that Japanese military operations on and subsequent to September 18, 1931, were unjustified and cannot be regarded as measures of self-defence, and the other is that the so-called Manchukuo regime was not created by a genuine and spontaneous independence movement but owes its existence to the presence of Japanese troops and the activities of Japanese officials, both civil and military.

"The Report, which contains many questions of utmost importance, is being carefully examined by the authorities of the Chinese Government."

If Satisfaction is important

Buy at Wing On's

GOODWILL contributes to business success. It can only be gained by dependable and satisfactory service. The fact we can hold fast the confidence of our many patrons speaks well as to the kind of service we have rendered and are continuing to render them. We count you as one of our supporters. Please remember, our enormous and most varied stocks will meet your every requirement.

WING ON COMPANY

Incorporated in Hongkong

NANKING ROAD

National Government Considers Report "Fair and Acceptable"

According to the Official *Central News Agency* at Nanking, while the government leaders are reluctant to express individual opinions regarding the Lytton Report, indications are that the Chinese government will consider the Report as a whole, fair and acceptable, "with the exception of a few points on which the Chinese government will demand revision."

Sun Fo Says Report is Contradictory

China would recover Manchuria only in name while Japan would reap all the benefits in fact, even if the recommendations of the League of Nations Commission were adopted and successfully enforced, declared Sun Fo, former President of the Executive Yuan, in a press interview at Shanghai Oct. 4 relative to the Lytton Report. However, he qualified, it is open to serious doubt if these recommendations can be enforced as the Japanese Government is evidently opposed to the Report and is determined to wrest Manchuria from China both in fact and in name. After studying the last two chapters of the Report, Mr. Sun stated, he finds the document in itself contradictory. While on the one hand, the League Commission recognizes that the Shenyang (Mukden) Incident on September 18, 1931 was not justified as an act of self-defence on the part of Japan and that the creation of "Manchukuo" was not in accordance with the will of the people of Manchuria, as alleged by Japan, the Commission proposes the establishment of an autonomous area for the Three Eastern Provinces—a measure that must fail to satisfy China by ignoring the restoration of the *status quo ante*.

Chinese Organizations Say Report Incompatibe with Chinese Sovereignty

Fifteen leading Chinese public bodies in Shanghai October 4 jointly sent a telegram to the Nanking government urging that independent action be taken for the recovery of the territory. The Lytton Report was branded an "ultimatum for international control of Manchuria."

As the formula of solution for the Manchuria Affair recommended in the report of the League Commission is incompatible with the territorial sovereignty of China, the telegram points out, the national government should launch a punitive campaign against Manchukuo without any further delay and in the meantime sever its commercial and diplomatic relations with Japan. The orientation of a strong foreign policy under which friendly relations should be sought with Soviet Russia on the continent and the United States and Great Britain on the Pacific is also urged.

Japan Objects to the IX and X Chapters

The initial reaction of the Japanese Foreign Office to the Lytton report was summarized in a "Reuter" telegram from Tokyo October 2 as follows:

Broadly speaking, the main criticism of the Report is that it is unduly confined to Manchuria and too little devoted to China and the Far East generally, and that the Commission would not have included the ninth and tenth chapters if it had "properly understood the scope of its functions under the League's resolution." It is admitted, however, that these two chapters contain "some wholesome conclusions."

Mukden Incident

The main points criticised elsewhere are the assertion in Chapter VIII that Japan's contention to a special position in Manchuria is incompatible with the Nine-Power Treaty and the assertion in Chapter IV that the blowing up of the railway near Mukden on the night of September 18 last year was insufficient to justify military action and that the action taken afterwards overstepped the bounds of self-defence.

According to a spokesman of the Foreign Office, the Government took the view that the man on the spot was the best man to judge what action was necessary. Therefore, he argued, it was impossible to accept the Commission's own conclusion, though the Government was satisfied that Lord Lytton and his colleagues had no intention of stigmatising the Japanese Army as the aggressor.

Unduly Influenced at Peking

Regarding Chapter VI, the spokesman contended that the Commission appeared to have taken the evidence of "very mean, anonymous Chinese seriously," while the evidence advanced by the Japanese and Manchukuo authorities seemed to have been discredited. He pointed out that the Commission had spent only a fortnight in Manchuria which, he said, was insufficient, especially as its visit occurred just at the time that Manchukuo was newly established. Hence everything was still in confusion.

Moreover, he added, consciously or unconsciously the Commission had undoubtedly been unduly influenced subsequently by its prolonged stay in Peking under Marshal Chang Hsueh-liang's influence.

Commenting on the two final chapters, the spokesman said that they contained some wholesome conclusions, but emphasised that Japan would never permit interference by a third party in a settlement of the Manchurian dispute, nor would she agree to the suggestion of autonomy now that Manchukuo had been recognised. Japan considered that the "reflections" of the Commission did not provide ground for negotiations between China and Japan on Manchuria, though the suggestions regarding Manchuria might be applied profitably to relations between China and the Powers. He cited as an instance the question of instituting a measure of international control.

Nothing Unfair to China

The spokesman then expressed appreciation of the Commission's painstaking work, though he crystalised his sentiments regarding the Report by saying: "It contains much that is unfair to Japan, but nothing unfair to China."

He went on to declare that the Japanese Government would strongly refute the contention that the Manchurian independence movement had been instigated and supported by the Japanese General Staff.

Contrary to expectation, the Japanese military authorities have accepted the Lytton Report with an exemplary air of calmness.

Japan Says Lytton Recommendations Came Too Late

If the suggestions contained in the Lytton Report regarding a settlement of the Manchurian question had been made half a year ago, they would certainly have been acceptable to Japan, but the establishment of independence by the new State has now rendered this impossible. This appears to be the general belief in Japan, as summarized by *Reuter*. In the circumstances, officials in Tokyo appear to consider that the wisest course for the League of Nations would be to wait for two or three years "in order to give Manchukuo a chance to prove or disprove its ability and stability. After the expiry of such a period, it is argued, the League would be in a position to say whether autonomy under China or independence is better, "especially as the Chinese Government itself is unstable."

A spokesman of the Japanese Foreign Office stated that the Japanese Government would only "touch briefly" on the two final chapters of the Lytton report. He added, that a detailed commentary would be useless now that Manchukuo had been recognised. It was expected, he concluded that the observations would be completed within two or three weeks.

While the Japanese newspapers are inclined to fulminate at what they consider the unfair statements and impracticable suggestions contained in the Lytton Report, it is noteworthy that the papers thus far have concentrated their attention almost exclusively on points which are disagreeable to Japan.

A Tokyo telegram says in Japan there seems to be little doubt that the Report is less favorable to Japan than the general public had anticipated, but this is unlikely to influence the course which Japan has elected to follow, as the people are convinced it is now a case of sink or swim—there is no turning back.

Puppet Plenipotentiary Says Report Deserves No Attention

Pao Kuan-cheng, Manchukuo's envoy plenipotentiary to Tokyo, declared October 3 that the Lytton Report does not merit the slightest attention because it entirely disregards the popular will of Manchurians which is responsible for the birth of Manchukuo. He said all the report can do, instead of solving the problem is to complicate the situation. Mr. Pao concluded by stating that Manchukuo is attaching no importance to the report as she is firmly determined to push towards the ideals on which the state of Manchukuo was established.

British and Chinese Comments from South China

The leading British newspaper in Hongkong, the *South China Morning Post* in an editorial stated that the Lytton report succeeded in prescribing the only possible solution that could be devised by external parties. Continuing, the editorial says that the Manchukuo sham is exposed and Japan is convicted of excessive action towards an illegitimate purpose. China's title to Manchuria is confirmed. The Hongkong *Telegraph* states there can be no escaping the fact that the commission does definitely indict Japan for her aggresive action in Manchuria by engineering the creation of a puppet state. The Lytton report seeks to avoid aggravating Sino-Japanese relations. The *China Mail* considers the Lytton Report disappointing. China will protest the lack of any conclusion which could ensure sufficient redress for China. The suggestion whereby Manchuria would be granted some form of autonomy is certain to be rejected by both parties; China will rightly demand the reason for the necessity of any concession in the matter, in which she is the aggrieved party.

The Hongkong and Canton Chinese daily newspapers express skepticism over the Lytton Report's success because of Geneva's repeated failures in convincing Tokyo. The Chinese papers expect that more can be achieved through America's upholding the spirit of the Anti-War pacts.

U. S. to Back Lytton Report

The Washington correspondents of the various New York newspapers seem to be agreed that although the United States State Department has not yet commented on the Report of the League of Nations Commission of Enquiry it is clearly inclined to throw the influence of the American Government behind the proposals made by Lord Lytton and his colleagues for a peaceful settlement of the Manchurian controversy.

The Report is accepted by officials at Washington as a fair and just appraisal of the situation and as a realistic approach to a solution which is admitted to contain enormous difficulties.

It is understood from reliable reports of the opinion in responsible circles that the United States Government is not making any move in the matter at present, its position being that an investigation has been made by an agency representing a large number of other nations and therefore the only proper course for the United States is to await action by th League of Nations.

The New York *Times* October 3 carried an editorial on the Report. It characterizes it as comprehensive, penetrating and impartial. The Report, it says, reveals a strong desire for conciliation between Japan and China and for co-operation between all the Powers in helping China to escape from the evils of civil war and in establishing a stable government of her own.

The *Herald Tribune* says that Japan made a mistake in recognizing "Manchukuo" without waiting for the Lytton Report, and remarks that a demilitarized and autonomous Manchuria launched with the consent of China and with international goodwill, would be of much greater value even from a strategic viewpoint, than permanent military occupation in the face of local irredentism, Chinese ill-will and international distrust.

Dr. Stanley K. Hornbeck, Chief of the Far East division of the State Department, was called into conference on the Lytton report at Washington, October 2 by the Secretary of State, Col. Henry L. Stimson. Col. Stimson declined to comment until the examination is completed but it is understood in Washington the Administration high officials regard the report as furnishing a broad and satisfactory working basis for solying the Manchurian problem. The inclusion in the report of possible Russian interests in the disputed area was commended in many circles in Washington as far-seeing and as evidencing a desire for a permanent peaceful status. Several authorities on international affairs in Washington considered the report equally just to the Chinese and Japanese and to evidence a strong desire on the part of the commission to preserve Manchuria physically and racially to the Chinese while simultaneously providing for protection of Japan's interests. Nowhere was the report considered to be in opposition to the American policy.

Report of Lytton Commissioners' Talk with Japanese Foreign Minister

A *Havas* telegram from Paris October 2 gave extracts from copies of two conversations held between members of the League Commission with Count Uchida last July.

In reply to a comment by General McCoy, the American member of the Commission, Count Uchida replied "Japan attaches great importance to world opinion and her position on the international field but for Japan the only path toward a solution of the problem is recognition of Manchukuo which is urgently required of Japan now.

Lord Lytton: "What do you understand by Manchuria? What are its frontiers?"

Count Uchida: "By Manchuria we understand the four eastern provinces and inner Mongolia. It is impossible at the present time to give the precise frontiers."

Lord Lytton: "How can you speak of recognising a country whose frontiers you do not know?"

Count Uchida: "Certainly the Versailles Treaty gave an example of the same thing, apropos of Poland.

Lord Lytton: "How about the principle of the Open Door in Manchuria?"

Count Uchida: "Obviously Japan will maintain this principle."

Lord Lytton then spoke of the duties of the League as an instrument of international peace and said that Japan must base her acts upon the grounds of a peaceful settlement with China under the auspices of the League.

Count Uchida: "The role of the League must only be to make China understand that she can expect no help from the League or any other power, that she must give up her dreams about Manchuria and must come peacefully to agreement with Japan on all disputed points."

General McCoy: "Japan says she is taking over the task of maintaining peace in the Far East. To maintain this peace Japan has already waged two wars with Russia and China. Now Japan feels that to fulfil this indispensable duty, she must take to arms again. Certainly it would be better if Japan gave the League the opportunity to fulfil the same duties peacefully."

Count Uchida: "Japan holds the League in great esteem but in no case will she relegate to the League the task she has undertaken and the problems of Manchuria can be settled only by recognition of Manchukuo."

In reply to Lord Lytton, Count Uchida said that when the Chinese governors left Manchuria, the Manchurian leaders asked the Japanese to take over the administration of the Chinese railways in the country.

Deficits in Many Provincial Budgets

Interesting figures showing the annual revenue and expenditures of the various provinces and municipalities in China are revealed in the draft budgets which were submitted recently to the Directorate of Accounts, Budgets and Statistics by a total of 13 provincial governments, 3 municipal governments and the Weihaiwei Special Administration Bureau. Of these, only six budgets are found to be balanced, the rest all showing deficits of varying amounts.

Kwangtung takes the lead both in revenues and expenditures, which are respectively $34,169,945 and $43,095,243. Hopei ranks second with the budget balanced at $33,223,442. It may also be noted that the revenues and expenditures of such border provinces as Ninghsia, Jehol, Yunnan and Kueichow amount to only a few millions.

The following is a list of revenues and expenditures of the various provinces and municipalities:—

	Revenue.	Expenditure.
Kiangsu	$26,176,187.	$26,176,187.
Chekiang	25,195,398.	25,195,398.
Honan	17,848,752.	17,848,752.
Hopei	33,223,442.	33,223,442.
Hunan	17,123,714.	17,123,714.
Tientsin	4,929,591.	4,929,571.
Jehol	1,703,516.	2,359,462.
Shensi	13,994,897.	20,781,164.
Ninghsia	1,104,732.	3,260,809.
Yunnan	3,124,857.	5,430,819.
Kueichow	2,623,000.	8,925,668.
Shansi	11,349,671.	17,766,116.
Hupeh	23,600,121.	28,006,694.
Kwangtung	34,169,945.	43,095,243.
Peiping	3,483,922.	5,068,521.
Weihaiwei	208,398.	516,988.

"The Seaboard Route to the North"

Travel on The

Peping-Liaoning Line

Starting at Peping, the ex-capital of China, called the most interesting city in Asia, with its intricate systems of walls, its Imperial palaces and its beautiful temples and tombs the Peping-Liaoning Line goes down to Tientsin, the great port of Chihli, and from there swings in a wide circle on its pathway to the north. From Lanchow to Chinchow the railway follows the line of the Gulf of Chihli, passing through Shanhaikwan, where the Great Wall ends at the sea, and thence on to Mukden, the ancestral home of the Manchus, a city which vies with Peping in its splendor of palaces and temples and ancient shrines.

Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

IMPORTANT NOTICE

Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

Peping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

The United States, Japan and Manchuria

BY K. Y. HUANG

(China Voice, Sept. 15)

WHILE the Japanese Government has lately appointed General Muto as Special Envoy to Manchuria for the conclusion of the so-called basic treaty with the Puppet Government of Manchukuo, Count Uchida, Japanese Minister for Foreign Affairs, in behalf of the Japanese militarists, delivered in the Japanese Diet a lengthy, false-colored, unreasonable speech on the subject of the forth-coming recognition of Manchukuo. Ignoring the resolutions passed by the League Assembly, disregarding the sincere advice given by the League Commission of Inquiry, and considering the Nine-Power Treaty and the Kellogg-Briand Pact as a mere sham, Japan has laid bare her attitude of aggression and has, in effect, thrown down the gauntlet against the world conscience without regard to the preservation of peace. It is doubtful whether the League of Nations and the United States of America will immediately seek for effective measures to deal with this challenge or they will remain deaf to it and devise no means at all. This is a question of utmost importance to the peace and security of the Far East or indeed of the whole world.

It is reported that, though there has been no official indication of opinion by the League Commission of Inquiry, some of its members have unofficially indicated that the report of the Commission of Inquiry and its conclusion will by no means be altered by any influence from Japan. The United States of America, however, has remained silent and would not express any opinion in this respect. The telegram from Washington reported to the effect that the American Government will at any rate make no further comment regarding the Manchurian problem before the publication of the report of the League Commission of Inquiry. Thus, in the absence of any official indication by the American Government, it can only be guessed as to what steps are to be taken by the United States to deal with Japan. But by a close observation of the past and the latest relations between the United States and Japan, it is easy to see whether or not these two countries will break their relations. Let us make a simple study of it.

The Control of the Pacific

The utterance by the former German Emperor William "My future lies on the sea" excited the jealousy of England, which at last joined with the Allies to fight Germany. The main reason is that England was most envious of any one who challenged her ruling power on the sea, which is necessary to her imperialistic development. So is it, indeed, with the Japanese-American relations. During the period of President Lincoln of the United States. Mr. Seward, then Secretary of the State, said, "the future of the United States lies in the Pacific." Afterward President Roosevelt also said, "those who can control the Pacific can control the whole world." It has been, therefore, a long period of time since the secret quarrel between Japan and the United States arose for obtaining the domination of the Pacific. In 1905, through President Roosevelt's mediation in the Russo-Japanese war, Russia, though defeated, paid no indemnity, and what was gained by Japan from Russia was but the southern part of Saghalien Island. The skill of Russian diplomacy at that time must be admitted but the unwillingness of Roosevelt, to side with Japan in view of the American rights and interests on the Pacific, was really the main cause of Japan's great sacrifice and little gain. Since then Japan-American relations, though having the appearance of harmony, have been growing worse day by day. When the world war suddenly broke out in 1914, the European powers, having been involved in it one after another in succession, had no more time to maintain their influence in the Far East. Disregarding everything at that time, Japan had the tendency of becoming the sole power in East Asia. First she dispatched troops to Shantung on the pretext of declaring war upon Germany, and then, by utilizing the imperialistic ambitions of Yuan Shih-kai, presented the so-called "Twenty-one demands" to China. By that time, the United States of America had become at a leap the creditor of European nations by supplying them with provisions, arms and ammunition, and her economic development progressed by leaps and bounds. As to Japan, by utilizing the opportunity afforded by the European War, she was also growing in power day by day with her industrial and commercial development; she was, however, a little cautious in her aggression against China because of the hindrance of the United States. When Japan sent her troops to Siberia afterward, the United States again stopped her in all possible ways from advancing toward Baikal or stretching her influence into North Manchuria by taking this advantage. How, then, could Japan refrain from growing indignant with the United States, which had done all she could to hinder Japan from doing what she desired? Besides, the rejection of the immigration of colored population, and the restriction of Japanese people entering the United States had also excited a very strong ill-feeling of the Japanese toward the Americans. Above all, Japan had scarcely recovered from the catastrophe of earthquake in 1923 when the United States brought forth the law against the immigration of Japanese people. The Japanese Government and people grew extremely indigrant at this. A Japanese scholar even said that Japan could not maintain the fame of being a first class power unless she went to war with the United States!

After the Great War, however, the people of different countries, being greatly terrified by the devastations of warfare, devoted themselves to the peace movement. The Nine-Power Treaty, the Anti-War Kellogg Pact and the London Naval Pact, of which the United States and Japan are both signatory countries, were all consummated as a result of the peace movement for the preservation of the peace of the world. Having had this sort of paper protection, the United States put off the scheme of making the Philippine Islands as her naval base on the Pacific and also discontinued her military preparations on Guar Island. Unexpectedly Japan, perceiving that the United States neglected her preparations, and taking advantage of the terrible calamities of floods and drought in China, and of the economic crisis in the world, and destroying all the safeguards of peace, made aggression on the Three Northeastern Provinces of China by means of her military force, which she thought to be all-mighty. It is true that both our government and people are unanimously opposed to this aggression. Isn't the United States willing to be deluded by the Japanese people and surrender her rights and interests on the Pacific to Japan without paying regard to the policy she has hitherto adopted? There is scarcely any doubt to say that Japanese-American relations would be seriously strained unless an internal revolution was effected by Japan and a thorough change was made in her diplomatic policy. This is quite certain. What is uncertain now is, when the relations between the two countries will be severed and when the conflict between them will break out. This question we will attempt to discuss in the following.

American Attitude Made Clear

Since the incident of September 18 last, the United States of America has thrice made official representations in connection with the Sino-Japanese problem. The first was a memorandum handed over personally by the Secretary of the State to Mr. Debuchi, the Japanese Ambassador to the United States; the second was a note despatched on October 10; and the third was an identical communication sent to China and Japan respectively on January 7 this year. Since then, there has been no more official diplomatic dispatch between the United States and Japan concerning the Manchuria incident, but unofficial expressions of Mr. Stimson have made the American attitude very clear. In his lengthy correspondence to Senator Borah, chairman of the Senate Committee on Foreign Affairs, published on February 25, Mr. Stimson, along with the principles as formerly expressed, made a clear statement on the policy of open door and equal opportunity hitherto adopted by the United States, and virtually accused Japan of violating the Nine-Power Treaty and the Anti-War Pact. It happened that the Chinese 19th Route Army and the 5th Army Corps were fighting desperately against the Japanese invasion of Shanghai; and so the publication of Mr. Stimson's correspondence, which drew the attention of the different countries of the world, met with the strongest opposition from Japan, saying that the correspondence might increase the anti-Japanese feeling of the Chinese. On August 8 Mr. Stimson delivered aonther speech at the meeting held by the council on Foreign Relations New York, upholding the Anti-War Pact and hinting indirectly that Japan was the aggressor in Manchuria. Upon hearing this, the whole nation of Japan was much agitated, some even proposing to lodge a protest with the United States. It is strange to say that the United States has kept silence without making any indication towards the speech delievered lately in the Japanese Diet by Count Uchida, Japanese Minister for Foreign Affairs, relating to the intention of Japan to extend recognition to the Puppet Government of Manchukuo. Is it not that the United States has not courage enough to oppose this or, being well aware of the fact that the Japanese militarists are running mad that they will not listen to reason, is seeking some other ways and means to deal with them? This question has much to do with the coming situation of the future of the Far East.

According to the past conditions, the American Government seems to have already understood that the Manchurian problem can not be solved by words. Consequently since January 7 this year, Mr. Stimson has made no further official move, but revealed the opinion and the attitude of the American Government only in his correspondences or speeches. He does not hope that the Japanese militarists will repent of their error and restore everything to normal condition, but earnestly expect the world powers to assist by standing together against Japan. The main reason is that modern warfare, being usually on a large scale, requires great sacrfice, and that gain or loss has such a great effect on the prosperity of the nation that no country should act rushly to engage in a war without securing an ally first. The United States, perceiving the intimacy between Japan and France and the fact that she herself remains unassisted, is convinced that she has to resort to diplomacy first and take a watchful attitude for the time being toward the Sino-Japanese trouble.

At present, however, it is rather difficult for the United States to secure at once a sympathetic country. During the period of the pure Labor Cabinet of England, Premier Macdonald adopted the policy of joining with the United States, but while the National Cabinet is now holding the rein of the government, the situation is different. There are of late so many troubles in Europe that it is probably not easy for England to stand by the United States against Japan. A proposal has been made lately by the American Government and people for the resumption of normal relations with Soviet Russia. Now, considering the absolute difference in principles between these two countries, it is evident to see that the United States, being unable to find for the time being a sympathetic country with the same interests and willing to stand by each other in difficulties, is obliged to look for the second best in dealing with Japan. This is perhaps the chief reason why she is still hesitating and maintaining a look-on attitude towards Japan without taking any effective action.

Some one may raise the question why the United States does not attempt to deal with Japan by herself alone if she can get no allied country. The answer is this: First from the military point of view, the United States finds herself rather in need of a naval base in the Far East. As the Philippine Islands cannot be considered as a naval base and the military preparations on Japan have not yet been completed, she would run the hazard of losing the islands in the Pacific originally held by her, should she rashly make war with Japan. Though the United States is superior to Japan in air force and in the power of maintaining a fight, yet in case of the American Navy being unable to succeed, it will be hard, too, for her air force to display its vast power, owing to the great distance between the two countries. Should the war be long drawn out, the United States, though more hopeful of success, would have to give up her considerable trade with Japan. Owing to these two reasons, the United States will probably take no positive action toward Japan before securing any ally. The election of the president will take place in the United States in November this year. If President Hoover should continue in his post, it is possible still that he would take positive action against Japan as soon as an ally is secured. Otherwise it will be delayed until the end of his term (March 4 next) when the succeeding president will decide what to do. It can thus be seen that the conflict between the United States and Japan, though inevitable in future, may not break out so early.

The Japanese people must be well aware, too, of the conditions mentioned above. It is predicted, therefore, that Japan will hasten her invasion of China in the nearest future. During such a national crisis, the only thing for all the people of the country to do is to have the spirit of fearlessness and sacrifice, and struggle to their utmost against Japan. So long as a breath remains, this determination should not flag in the least. The latest report received from Nanking states that the Central Government has decided upon sending a punitive expedition against Manchukuo if Japan extends recognition to it. If this is true, there will be some hope for the future. We are quite confident that if the people can wake up and struggle hard to resist against Japan, there will be some change in the international situation, though China is now unassisted and in very bad circumstances. Not only will the United States give us some help but even Soviet-Russia, with which relations have not yet been restored will express sympathy with us instead of standing by the side of imperialistic Japan. Thus China will have no difficulty in getting assistance from other countries, and may be relieved of the distress of being unassisted, for if we can concentrate our strength and resist against Japan uranimously, China is really the best ally to any country in the world, which upholds international law, treaties, and all sorts of safeguards of peace.

For Fast and Efficient Radio Telegraph Service to all Parts of the World Send

RADIOGRAMS

"via CGRA-RCA"

RADIO IS THE QUICKEST AND MOST RELIABLE MEDIUM FOR ALL TELEGRAPHIC COMMUNICATIONS. IT HAS BROUGHT ABOUT RATE REDUCTIONS AND INAUGURATED NEW CLASSES OF SERVICE TO MANY COUNTRIES....

In CHINA file your messages

"via CGRA—RCA"

(Chinese Government Radio Administration
R.C.A. Communications, Inc.)

R.C.A. Communications, Inc.

(A Radio Corporation of America Subsidiary)

Office of Representative—Sassoon House—Shanghai.

SOCONY

GUM FREE
SULPHUR FREE

GASOLINE

"Where Manchurian Experts Are Wrong"

To the Editor, *The China Weekly Review*:—

Your editorial article in the *Review*, September 17, titled as above, justifies, I think, a departure on my part from the usual practice of refraining from comment when reviewers take liberties with an author's book. In your judgment, apparently, there was news value involved: hence you will probably agree that this applies to points which I should like to make.

Pre-occupation with work in my capacity as counsellor to the Commission of Inquiry, which has just completed its work, combined with other factors compel me for the time to ignore the extraordinarily opinionative thirty-page essay, reprinted in pamphlet form and widely distributed, which Dr. Hsu Shuhsi has done me the honor of having written in welcome of my trilogy of books on Manchuria.

Dr. Hsu, whose capabilities as a scholar and realistic student of Manchurian diplomacy were demonstrated especially in the Kyoto and Shanghai conferences of the Institute of Pacific Relations, is a professor of political science in Yenching University, and was associated with the Chinese Assessor's office of the Commission of Inquiry during the period when he wrote this review of my books, published in the *Chinese Social and Political Science Review*, July, 1932. He is now in Geneva as "Legal Adviser" to the Chinese Delegation. Had Dr. Hsu's review appeared before his departure for Geneva in time for me to give it consideration, and had not my responsibilities to the Commission of Inquiry precluded giving it much attention, I should have considered the advisability of publishing an article in the same magazine dealing categorically with points Dr. Hsu raised. The nature of your editorial and the fact that I am now relieved from my recent responsibilities prompts me to comment.

Dr. Hsu is certainly entitled to hold his own opinions. The fairminded and informed reader had better be the judge as to whether his conclusions or the inferences which reasonably may be drawn from them are tenable and fair. The first point raised in your article is one of fact: "Dr. Hsu called attention, and proved his point by a photographic reproduction of a section of the treaty, that the American expert on Manchuria made a serious error in charging that a vital discrepancy existed in the Chinese and French texts of the Sino-Russian treaty of September 8, 1896"—runs your article. In passing, may I note that this was not a treaty; that I do not claim to be an "expert"—far less an infallible one—on Manchuria; that I made no "charge" when I referred to the supposed omission in the Chinese text; and that whether this was a "serious error" is open to some question.

An Error of Fact

Dr. Hsu rightly called attention to an error of fact made by me when I failed to note that the Chinese text of the Sino-Russian railway agreement of 1896 contained a section somewhat similar to the mooted clause of Article VI of the French text. Upon returning to Peiping in October, 1921, after having published these volumes, I was able to examine carefully the Chinese text in Dr. C. C. Wang's treaty collection and discovered my error. It was too late to correct it, or I would have done so.

Whether the manner in which Dr Hsu's criticism was made was justified by the character of the crime allegedly committed against the God of Truth and whether his peculiar treatment was in good taste, are questions on which it is not for me to express opinion. That has been done for me by many friends, among them several Chinese gentlemen, scholars and officials, who appeared to be more sensitive than I. I do feel, however, that from scholar to scholar, as from friend to friend, there would seem to have been no necessity for special pleading. My offense may have been the greater. I admit, since it was careless: I did not have a copy of the Chinese text in my study when I wrote these volumes in Baltimore, between January and August of 1931. Unfortunately, I relied on my memory as to this point, having had the Chinese text in my hands only for a brief perusal in the *French Booksellers, Ltd.*, Peiping, one day in October, 1930, as I was hurriedly passing through *en route* from Manchuria to Maryland. Were I in future to publish a revision I would certainly alter a sentence or two of the text to correct this error. For reasons, however, which are not suggested by Dr. Hsu's rather frank opinion that I am "not possessed of enough knowledge of facts for an intelligent discussion of the subject" (C. S. P. S. R., July, 1932, 212), I probably shall not do so, even though the entire first edition was almost exhausted before Dr. Hsu's review appeared. I should have wished, nevertheless, that Dr. Hsu had used some greater part of his opinionative essay to point out errors of fact in addition to this one, since, as I have discovered one or two myself not noted by Dr. Hsu, he probably might have been able to call others to my attention.

You make the point that my error has special importance, "having an indirect bearing on the present situation in Manchuria," suggesting that I constructed a case here on an error as to fact. Let me be so bold as to doubt your judgment here, however, and raise the question whether the error was at all as consequential to my argument either as stated journalistically by you or as left by inference from Dr. Hsu's treatment of the point as a scholar.

My conclusion, inadequately presented by Dr. Hsu, was that, in the absence of a definite agreement as to which text should carry authority for purposes of determining a question of interpretation, it was reasonable that the French text, being the neutral-language one, was "a valid source to which the Russians could point in endeavoring to establish their administrative authority." (III, 12) I added: "It is necessary, however, to interpret that clause in the light of the entire agreement" The publication of the Chinese text, which Dr. Hsu refrains from translating, actually lends support to the very conclusion drawn by me which is that the long-mooted clause in the French text carries considerable weight. I stated clearly, moreover, that, in my judgment, the Russian interpretation, and subsequently the Japanese, was open to criticism. This content of the Chinese text strengthens the author's conclusion that Russia obtained a *limited political grant*, one which falls short of being equivalent, as its terminology might seem to imply, to a general grant of political administration in the areas not required for the use of the railway itself." (III, 29)

My interpretation was based on legal criteria rather than linguistics. Had I not been prevented from giving more consideration to the latter my conclusion would have been also supported by the letter of the Chinese, as well as the French texts. The fair-minded reader would do the author a courtesy if he were sufficiently interested to go to the books themselves to judge for himself whether I have here stated my position correctly.

A Denial by Dr. Young

You state that "Dr. Hsu takes serious issue with Dr. Young on a number of other statements appearing in Dr. Young's books and makes the charge that in several instances Dr. Young's book leans toward the Japanese rather than the Chinese viewpoint on strictly legal phases of Japan's position in Manchuria." If by the latter is meant that in your judgement I developed or tempered a legal argument *with the object* of favoring the Japanese viewpoint, or, for that matter, the Chinese viewpoint, on particular questions, I can only deny the charge and urge you to present your evidence. I do not find, in justice to Dr. Hsu, that he charges me directly with such methodology, although I admit that the reader of his review might reasonably draw that inference.

The charge would be a serious one from a scholar and should not lightly be made by a journalist. The journalist's privilege of passing judgment, directly or indirectly, upon the work of a scholar is certainly no more defensible than the scholar's privilege of drawing attention to the impelling motives which, in his judgment, determine the character of particular news dispatches. Were the latter opinions of the scholars published in footnotes to their books they would probably make interesting the reading of no small scholastic value in library cubicles.

If, however, the sentence quoted from your editorial means that *as a result* of application of scholarship to facts I come to conclusions which tend to support, in given instances, the Japanese point of view—or, for that matter, the Chinese point of view—I can only say that I admit the "charge" and plead for the clemency of the Court for not being a propagandist or an involved patriot.

As editor of the *Review* you no doubt are rightly sensitive to the effect upon one of being "charged" as "pro-Japanese" or "pro-Chinese." To the scholar, however, these journalistic handles have but little material importance. The device of carefully selecting quotations (as from a political campaign speech), setting them up like ten-pins, in order to knock them down, is an old game. There is more than a suggestion of this in Dr. Hsu's essay.

The outstanding point where Dr. Hsu's essay might leave the inference that I marshalled facts and tempered arguments *with the object* of favoring the Japanese viewpoint is where he refers to my commentary on the views of Viscount Ishii in connection with the Lansing-Ishii agreement. Dr Hsu commits an error of fact by stating that "the author speaks of Ishii's views approvingly." (206) I did nothing of the sort How any fair-minded reader, far less a scholar, could make such a statement after

reading Chapter VII of *Japan's Special Position in Manchuria* is beyond me. The same applies to Dr. Hsu's statement: "One wonders whether he is aware of the fact that a *de facto* situation may not be at the same time *de jure* situation." Throughout these three volumes this is the very problem with which the author had constantly to deal—an emphasis commented on favorably by such publicists as George Grafton Wilson and Quincy Wright in their reviews. Similarly, Dr. Hsu's statement that "in fact in his volume he assumes the existence of the 'right of intervention'." This is patently a fal-ification. I referred to the *so-called* "right of intervention," using inverted commas where the expression is first used. I neither affirmed nor denied it as a "right" in international law, and when I utilized this alleged "right" for purposes of argument, I did so to construct a hypothetical case, using it only as an assumed premise, taking care to describe it as such. Dr. Hsu was forced to admit that I had "a footnote on intervention." In my judgment, it is an extremely important footnote, in view of the unwisdom of dilating upon the subject in a manner which would not fall within the proper scope of this book which is not a treatise on the so-called "right of intervention." One wonders if these are the "several instances" to which you refer and which are given as justification for the statement that the author "leans toward the Japanese rather than the Chinese viewpoint"?

Your article, finally, states that Dr. Hsu's review has "special interest at present" because of my association with the Commission of Inquiry, the supposition being that I had "much to do in advising the Commission on the so-called legal or 'treaty' phase of the Sino-Japanese controversy." If Dr. Hsu's arguments were fully justified, and particularly if your understanding of them was to pass without comment, I would certainly not deny the news value involved. I regret that a sense of discretion prevents me from confessing how much—or little—I had to do in advising the Commission on these subjects. As my services for the Commission are now terminated, and I am proceeding to Geneva in a private capacity to "listen in," I shall not in the future be restricted by any responsibility to the Commission of Inquiry or for its particular recommendations.

It would be an interesting exercise, I think, if, guided by Dr. Hsu's review and by one which was written by "the highest authority on international law" in Japan (*Contemporary Japan*, June, 1932, I, 1.), the fair-minded reader would find the time and interest to draw a blue pencil over all the sections criticized by Dr. Hsu, and a red pencil over those criticized by Dr. Sakutaro Tachi. I have not had the time to do so, but I suspect that the lines would rarely, if ever, fuse in purple harmony. I am quite sure, however, that the unindicted portions of those volumes would leave little of sufficient spice to warrant a second edition or a revised reprint. Dr. Sakutaro Tachi's review, because of his distinguished position as a jurist, does honor to the author, however critical it may be on particular points. Dr. Hsu's review, if acceptable without considerable modification, would seriously menace the reputations of such reputedly sound scholars as Wilson, Wright, Holcombe, Quigley and Willoughby—if their reputations were built on the flimsy foundation of book reviews.

c/s.s. *President Madison* C. WALTER YOUNG.
Sept. 21, 1932.

Opium Suppression Committee Submits Report to Geneva

A lengthy report of opium suppression activities throughout China for the last year has been compiled by the National Opium Suppression Commission and will be submitted to the League of Nations at Geneva for the reference of the Assembly which is now in session. The report, which is divided into many chapters, contains numerous statistics showing various quantities of narcotics imported, drugs seized, etc.

Rich Gold Mines Found In Shansi

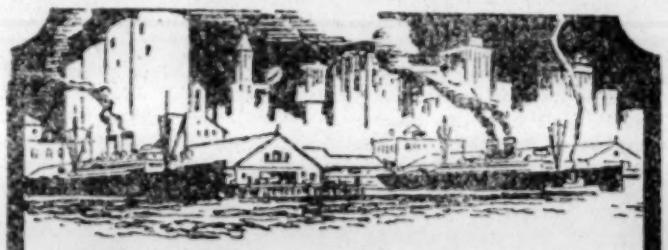
Rich gold mines are said to have been found at Choweishan, in Shansi Province, near the capital of Taiyuanfu. Marshal Yen Hsi-shan, who governed the "Model Province" for many years, and who since his defeat by General Chiang Kai-shek has returned to the province to live in semi-retirement, recently sent a Russian engineer to report on the alleged gold-strike. It is now stated that the engineer's reports are favorable and the Shansi authorities are accordingly making plans for the development of the mines.

交通大學研究所
THE CHIAO-TUNG UNIVERSITY
RESEARCH INSTITUTE
With Branches at Tangshan and Peiping

I. Division of Industrial Research
(1) Bureau of Engineering Design
(2) Bureau of Material Testing
(3) Bureau of Machine Testing
(4) Bureau of Electrical Testing
(5) Bureau of Physical Testing
(6) Bureau of Chemical Testing

II. Division of Economic Research
(1) Bureau of Social Economy
(2) Bureau of Industrial Economy
(3) Bureau of Communications
(4) Bureau of Administration
(5) Bureau of Accounts
(6) Bureau of Statistics

All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.



If *you* were a buyer would you wait?

SPEED OF DELIVERY is often the essence of a purchaser's contract. It is always desirable. For who wants to buy goods and wait months for their arrival?

If you would please your customers in the United States, ship VIA SEATTLE... the nearest United States Port to the Orient. If you would save them or yourself money on the shipment, ship VIA SEATTLE. The time saved means dollars.

If you care to route your goods to avoid unnecessary handling... route them VIA SEATTLE for a non-stop voyage across the Pacific.

For further information write Bell Street Terminal, Seattle, U. S. A.

5 TRANSCONTINENTAL RAILROADS—*to and from* SEATTLE
15 STEAMSHIP LINES—*to and from the* ORIENT

the Port of Seattle

Hu Shih Says World Opinion Will Finally Curb Japan

(The following translation of an article by Dr. Hu Shih, well-known Chinese philosopher, was issued by Reuters service from Peiping on September 26. The article appeared originally in the Tu-Li-Pin-Lun, or Independent Review of Peiping).

WHAT may be described as a dissenting opinion from the prevailing view in Chinese circles that the Covenant of the League of Nations, the Pact of Paris and the Nine-Power Treaty have become mere scraps of paper in view of the apparent inactivity of the signatories of those instruments in face of Japan's recognition of Manchukuo, is expressed by Dr. Hu Shih, the well-known Chinese scholar and philosopher, in an article entitled "Which Treaty is a Scrap of Paper?"

Dr. Hu first sets forth salient features of the Manchukuo-Japanese Protocol signed in Changchun on Sept. 15, between General Muto and Mr. Cheng Hsiao-hsu, the declaration of the Japanese Government in this connection, and then the gist of the protest of the Nanking Government to Japan, as well as the notes of the Government to the signatory Powers of the Nine-Power Pact and to the League, drawing attention to the serious situation precipitated by the Japanese recognition of Manchukuo.

Japan Is Impudent

Referring to the declaration of the Japanese Government that Japan's action in recognizing Manchukuo is not derogatory to any treaty to which she is a party, Dr. Hu says that this statement is a clear indication of Japan's "Impudence in overriding all international treaties and undertakings."

After asserting that Japan's action violated the first and second articles of the Nine-Power Pact, not to speak of other international treaties to which Japan is a party, Dr. Hu goes on to interpret the significance of that pact in relation to international affairs in the Western Pacific.

"The Nine-Power Pact in itself is a blot on the modern history of China. When a state is unable to safeguard its sovereignty and independence and its territorial and administrative integrity, and lets other states discharge this duty for it by treaty engagement, it is a very disgraceful thing.

Balance of Power Upset

"But the Washington Conference was called for a definite purpose. After the close of the Great War, the balance of power in the Far East had been completely upset with the result that the leadership of the Western Pacific fell into the hands of Japan. As China was not capable of meeting the situation created by this change, the United States decided, after consultation with Great Britain, to call the Washington Conference to discuss armament reduction as well as the Far Eastern Question in order to enable China to extricate herself from the grip of Japan and to make her political development a matter of common concern to all countries on the three continents of Asia, Europe and America."

Continuing, Dr. Hu says that although during the last 10 years China has not made full use of the opportunities afforded her by the Nine-Power Pact for her own development and reconstruction, it cannot be gainsaid that the treaty has enabled her to recover many lost privileges and enjoy 10 years of comparative international security. This is what Japanese expansionists did not like, and the succession of political troubles in Great Britain, the world-wide economic depression of the last three years and America's own economic difficulties combined to turn the attention of the European and American countries from Asiatic affairs and gave Japan the long-looked-for opportunity to free herself from the engagements of Washington, solve the Manchurian problem according to her own volition and thereby deal a blow to China's national movement.

9-Power-Pact Paramount

In the opinion of Dr. Hu, the Nine-Power Pact is more important than the Covenant of the League of Nations from the standpoint of international relations in the Far East, because, of the four principal Pacific Powers, three are signatories of the former, namely, the United States, Japan and Great Britain (Russia being the only non-signatory), whereas the League claims only two Pacific Powers as members, both Soviet Russia and the United States being out of the League. But the Nine-Power Pact does not stand alone, and as a result of American participation in the League deliberations over the Manchurian question and the conclusion of the Pact of Paris in 1929, the three most important instruments on which the post-War international order is based, have become interlocked.

Dr. Hu next recalls the pronouncement of the American Government made on January 7, since then known as the Hoover Doctrine, which is that the United States does not intend to recognize any situation, treaty or agreement which may be brought about by means contrary to the covenants and obligations of the Pact of Paris, and also the resolution adopted by the Assembly of the League on March 11, that it is incumbent on members of the League not to recognize any situation, treaty or agreement which may be brought about by means contrary to the Covenant of the League or to the Pact of Paris.

Hoover Speech Significant

Dr. Hu considers it particularly significant that Presinent Hoover referred to this new doctrine in his speech of acceptance of the Republican nomination for the Presidency last August.

"These important declarations of policy no aggressor nation can afford to ignore. Reading them over again at this time, when Japan has just recognized the puppet state and signed a protocol with it, we feel that they take on a special importance."

Quoting Secretary Stimson's characterization of the Pact of Parts as a treaty as yet untested, Dr. Hu says that the test for both this pact and the Nine-Power Treaty has come, for the Chinese Government has invoked them in its appeal to the world for an impartial judgment of the Manchurian controversy.

"The hesitation of the League of Nations to apply Article 16 of the Covenant during the past year, coupled with the fact that neither the Pact of Paris nor the Nine-Power Treaty provides for sanctions, has led many pessimists to the view that it is futile for the Government to invoke these two pacts. For they ask: Are they not two scraps of paper? In this view our pessimists are in the same camp with such Japanese imperialists as Araki and Uchida."

Stimson's "Landmark"

Dr. Hu next quotes from Colonel Stimson's speech of August 8 to show that despite the fact that the Kellogg-Briand Treaty provides for no sanctions of force, it rests upon a much higher and more potent sanction, namely that of public opinion. "The Stimson pronouncement is really a landmark in modern history. It represents a new political philosophy which inspires American diplomacy—the philosophy of idealism. What Colonel Stimson terms a new viewpoint not only cannot be understood by Japanese imperialists but may sound incredible to our pessimists. As a matter of fact, this new viewpoint is neither difficult to understand nor is it a bluff intended to mislead the public.

"International polities are governed by the same principles as national politics. It is true that the power of a government rests on force, but this force is not necessarily armed force. Generally speaking, the strength of a government depends upon social usage and sanctions of public opinion. Municipal government, indeed, may be likened to a 'paper tiger.' It owes its strength to certain invisible forces, such as thought, belief and custom. So long as the government commands the support of these forces, it can secure the arrest of a mighty general by a mere paper mandate and even order his execution. Once this 'tiger paper' is exposed, the Government can command neither money nor the obedience of the army. Therefore, those well versed in statecraft choose to build up public confidence in government, preferring to play the part of a 'paper tiger,' and not wishing to abuse their power. If every contract, law or mandate has to depend upon armed force for its validity or fulfilment, then government would not be worthy of the name.

Idealism Wins

"This is true of international politics. Held shortly after the Great War, which left Japan's military power practically intact, the Washington Conference succeeded in forcing Japan to relinquish Shantung and yield the position of hegemony in the Far East which she had built up during the War. Why? Because the idealism of

President Wilson still permeated the thinking of the world at the time.

"The League of Nations today is built on the support of public opinion. As a matter of fact, the international order today is held together not by force, but by something more powerful than force, and that is the need of each state respecting its international obligations and the fear of disapproval of world opinion in case such obligations are not kept. This force, to put it bluntly, is like the force of a paper tiger before its real character is exposed. However, if this international paper tiger is shown in its true colors, then international treaties and undertakings will become nullities and the world will be plunged into chaos. For their own enlightened self-interest as well as for the sake of world peace, the European and American countries will never allow Japan to destroy this paper tiger. The reason why the United States co-operates with the League of Nations, is because she wishes to maintain this paper tiger which is what Colonel Stimson describes as the moral judgment of the world. In this way Colonel Stimson addresses himself to Japan. 'Moral disapproval, when it becomes the disapproval of the whole world, takes on a significance hitherto unknown in international law. For never before has international opinion been so organized and mobilized'."

Japan Seeks Moral Aid

Continuing, the eminent Chinese scholar says that the Japanese imperialists, despite their professions to the contrary, have not shown themselves entirely oblivious to the moral disapproval of the world. "Why is Japan sending so many trained propagandists to Europe and America? Why is she spending so much money on propaganda abroad? All because she hopes to decrease the world's moral disapproval of her action in China. Again, why should the Japanese Government say that its action in recognizing Manchukuo, is not derogatory to any treaty to which Japan is a party? Why should Japan constantly harp on the fact that her action in Manchuria is necessitated by the right of self-defense? Because the Kellogg-Briand Peace Pact outlaws all war except those fought in self-defense. But this argument on the part of Japan can never conceal the real truth from the world.

"Grave Warning"

"Colonel Stimson said on August 8: 'A nation which sought to mask its imperialistic policy under the guise of the defense of its nationals would soon be unmasked. It could not long experience hopes to confuse or mislead public opinion on a subject so well understood or in a world in which facts can be so easily gathered and appraised as they can be today'."

"This is a very grave warning," Dr. Hu writes in conclusion. "Let us wait and see which treaty will turn out to be a scrap of paper in the not distant future: the League Covenant, or the Nine-Power Pact, or the Pact of Paris or the Protocol signed at Changchun on Sept. 15 between General Muto and Mr. Cheng Hsiao-hsu."

Diplomatic and Consular Changes at Nanking

Count Ciano and Mr. Ariyoshi, newly appointed Italian and Japanese Ministers to China respectively, presented their credentials at Nanking end of last week. They were received by Lin Shen, Chairman of the National Government, who had returned to the capital from Kuling where he had spent his summer holiday.

Another recent arrival in Nanking was Herr M. Fischer, representing the German Minister to China, Dr. Oskar P. Trautmann. Herr George Kuhlborn, who had been in charge of the German Legation Office for the past several months, left recently for Berlin.

Paul W. Meyer, for several years American Consul in Nanking, has been transferred to Peiping. John Vincent, who succeeded Mr. Meyer during the summer months, is also being transferred. Mr. Vincent's next post will be at Dairen. Robert Smythe, for many years connected with the American Consulate-General at Shanghai, is taking over the post vacated by Mr. Vincent. Tom Reynolds arrived last week in the capital from America, resuming his original post as American Vice Consul.

The acting Japanese Consul-General in Nanking, Mr. Uyemura, will probably join a Japanese Embassy, either in London or Washington. Mr. Ohta, Vice Consul in Nanking, has been promoted to become third secretary of the Japanese Legation Office at Shanghai.

W. R Peck, American Consul-General returned to the capital last week from North China where he had spent the summer.

China Electric Company
LIMITED

Manufacturers and Importers of Manual and Automatic Telephone Equipment.

HARBIN SHANGHAI PEIPING
TIENTSIN HANKOW
CANTON HONGKONG

Shanghai Office: 230, Medhurst Road

Your telephone is a sleeping force which springs into action immediately you lift the receiver

A TELEPHONE disconnected is indeed a dead thing A silent telephone is but a sleeping force. But it springs to life when you inject an idea into it The idea may be a simple "Good Morning!", an urgent summons, or a complex business problem where time is a vital factor. THEN you realise how valuable a service your telephone renders, and for so small a cost..

A residence telephone costs less than eighteen tael cents a day.

A business telephone costs less than 29 tael cents a day....

Consult the Business Offices Now:—

232 Kiangse Road *Telephone* 11400
1200 North Kiangse Road *Telephone* 41415

SHANGHAI TELEPHONE COMPANY

A Game Which Uncle Sam Can Also Play

BY GEO. W. MISSEMER

COLONEL STIMSON in his speech before the Union League Club in Philadelphia October 1 made an incidental remark which will probably have more significance in the future than is now apparent. He said "The United States should avoid discriminatory and entangling relations either political or economic with any nation, or bargaining over tariffs and preferring one customer to another." The fact is usually lost sight of that the United States is one of a small number of countries that levies its customs duties impartially, whereas most other countries (and this is particularly true of the various units of the British Empire) have several tables of tariffs, and it all depends on how those other countries stand politically towards that particular country as to whether they will be charged a low tariff, or a medium one, or a high (and frequently exorbitant) one. In other words, the tariffs are framed with a view either to using political pressure or to discriminate against some individual country or group of countries. The only exception in the U. S. tariff is that Cuba is allowed a rebate of 20 per cent from the general tariff. China, it may be mentioned in passing, likewise has the same tariff rates for all countries, but in her case this is not voluntary, but is forced on her by the operation of the "most favored nation clause"—which is a feature of the treaties which she makes with other countries. Even before the convening of the Ottawa Conference the various groups of the British Empire had discriminatory tariffs—a noticeable example being Canada, which allows many goods to be imported from England free or with a low duty, whereas goods coming from the United States (whence by far the greater part of the imports into Canada originate) have had to pay a much higher duty. When the Ottawa Conference comes into effect the discrimination against America, that being by far the principal country affected, will be much intensified.

***

Several weeks ago the hint was given from Japan that those countries which do not see their way to recognize Manchukuo are to be "punished" by having a discriminatory duty levied against them. The result may be that there may be a rush from small manufacturing countries, Belgium for for example, to recognize Manchukuo, in order to secure a valuable market. If the Japanese imagine, however, that they can in this way bring pressure to bear on the United States, they are bound to be disappointed. Just let the Japanese reflect a little on Soviet-American relations. Whatever may happen in the future, the fact is that the United States has through all these years resolutely set its face against recognizing Soviet Russia. America has done this on principle. The following of this non-recognition policy has caused great inconvenence to American business and has probably caused the United States to lose considerable trade, as the position in Russia in recent years has changed considerably since the then Secretary of State, Charles Evans Hughes referred to Russia as an immense economic vacuum—this being in reply to Soviet blandishments pointing out the supposed economic advantages to be derived by recognition.

"Because I KNOW You"

Several years ago one of the English comic papers printed a cartoon of a characteristically ingratiating Russian figure saying to a frigid Uncle Sam, "Vell, vy vont you receeknice me?" to which Uncle Sam nonchalantly replied, "Because I *know* you." Uncle Sam can make the same retort to Manchukuo, but for quite a different reason. What the United States *knows* about Manchukuo is that it is a put-up job and a Japanese puppet show—a fact which the Lytton report has confirmed. Therefore when Manchukuo says that it will bring economic pressure to bear on those countries that do not recognize it, the United States knows that it is Japan that is speaking. It is right here where the significance of Secretary Stimson's remarks above quoted comes in. As the writer understands the Secretary of State's remarks they mean that while, generally speaking, it *ought* to be the policy of the American Government to treat all nations alike in tariff matters, there is nothing in the Constitution or in anything else that will prevent the United States from adopting such a discriminatory tariff policy in case the provocation is given. And Japan is giving that provocation. How would Japan fare in case America decided to enforce a discriminatory tariff against Japan? Let us see.

Put a Duty on Japanese Raw Silk!

A great deal is heard of the enormous trade between Japan and America and the total figures are bandied about almost daily to bolster arguments that nothing should be done to upset the trade relations with so valuable a customer. But when one goes into details one sees that it is mostly because of the enormous exports of raw silk from Japan to the United States, and of cotton from the United States to Japan that the trade figures loom so large. Take away these two items and what is left for the general trader is of rather modest proportions. Raw silk is the crux of the whole matter. Out of the total exports of something around three hundred and fifty million dollars from Japan to the United States, more than three hundred millions are accounted for by this item alone, and it is probably news to the majority who read this article that all this silk goes into the United States absolutely free of duty—as of course it does from China, whose contribution to American silk supplies is very modest by comparison. If the United States will slap on say a ten percent duty on raw silk from Japan one rather imagines that the Japanese would change their mind about discriminatory duties into Manchuria very quickly. By imposing this discriminatory duty against Japanese silk America would give a fillip to the Chinese silk market, which it sadly needs. Incidentally a similar discriminatory duty on the several million dollars worth of crab meat that go from Japan to the United States yearly or the million dozen of tooth brushes that Japan sends to America every year might be added on as a sort of small charge, but this wouldn't really be necessary. The duty on the single item of silk would do the trick.

Japan Trying to Prevent Another Korean Revolution

The Japanese Press Union announced in Shanghai Oct. 3 that the members of the Korean branch of the Chinese Communist Party were found distributing handbills which had inscriptions, "Lodge a severe protest with Japanese authorities who are oppressors of the Korean Communists!" in the neighborhood of the Baby Garden and the headquarters of the Japanese Naval landing party. These subversive activities are believed by the Japanese to be in the nature of a protest against the arrest of Boku Tetsu-guan, leader of the Korean branch of the Chinese Communist Party, by the Japanese Consular police on September 28.

***

(The following article allegedly was written by a Korean but was sent to "The Review" by a foreign resident of Korea).

The terror of Japanese imperialism in Korea has been greatly increased with the spread of the economic crisis throughout the land and particularly since the invasion of Manchuria. The distress among the peasants, who constitute the overwhelming bulk of the population, is extreme. According to reports by Japanese officials almost all the small farmers in South and North Kankyo Provinces are confronted with starvation owing to bad crops last year. In May about 15,000 of the famine-stricken peasants had abandoned their fields and flocked to Fukeimyon where there is a branch of the government Agricultural Experiment Station. Since then thousands more have arrived. The official report states that "the wretchedness of the situation is beyond description." The starving people—men, women and children—are living in the open fields, with no shelter and hardly anything to eat.

In order to keep the people from rebelling against these horrible conditions and to ensure "undisturbed order in their rear," the Japanese military have been increasing the garrison forces in Korea and intensifying repressive measures of every kind. Nevertheless the revolutionary struggle is continually smouldering under the surface. During the last few years the leadership in this movement has been passing into the hands of the Communists. The repression has accordingly been most severe against them.

According to the Japanese press the latest attempt to form a Communist Party was blocked by the arrest of over 600 Koreans. In July it was revealed that repeated police raids had been carried out on the homes and haunts of suspected revolutionaries since the beginning of this year. The first arrests took place in Keiheku and Taikyu where forty leaders of the Party including seven women were taken into custody. Secret arrests have been made at frequent intervals since although no reports were allowed in the press until last month. The arrested will be charged with violation of the Peace Preservation Act of Japan and will be liable to the death sentence.

Koreans suspected of complicity in the movement for the overthrow of the Japanese authority are constantly being arrested. Official data from Japan sources showed the arrest of nearly 600 in January. They were as follows:

For organising illegal societies (mostly Communist groups)	158
For organising strikes	163
For anti-imperialist agitation	31
For inciting seamen to rebellion	120
For participation in tenant conflicts	126
Total for January	598

Actually the number arrested for political crimes was much greater. Many revolutionaries are charged with ordinary criminal offences (murder, arson, etc.). Japanese government figures show that the number of political prisoners is eighty times greater than at the time of the annexation of Korea in 1910. Additional prisons have been built until there are now 26 of these prisons where those charged with political crimes are held. Between 2,000 and 3,000 persons have been arrested annually during recent years. Budget expenditures on the police reach 20,000,000 Yen a year. In fact, however, the sum is very larger. By way of comparison the appropriations for Korea education do not exceed 6,000,000 Yen annually.

The police forces are being constantly extended. This year, for example, 1,000 policemen were added. In a hundred localities new police stations were built. Thirty new police boats have been constructed for patrolling the harbors and important river points. Every means of entrance into Korea and exit from the country is closely guarded, spies uniformed and disguised pervading the whole land. Police armored cars are used for patrolling the cities and strategical points. Ninety new ones were added this year.

A few of the larger mass arrests during the last year and a half are given here. In the Yen-Hin District 180 peasants were arrested for organising anti-government demonstrations last September. In April, 1931, 400 revolutionaries were arrested for participating in the organisation of the Communist Party. In July of that year 200 were arrested for membership in trade unions affiliated with the Red International of Labor Unions. In February this year 50 Koreans were arrested for agitation in connection with unrest among the women divers of Quelpart Island, Korea. In March a number of Korean peasants were wounded and many arrested in a clash between 300 of them and Japanese police at Ryozan. The peasants demanded the release of a leader previously taken into custody for radical agitation. Over 200 peasants were arrested in May in the Hanton District for refusing to pay taxes. About 600 arrests were made in connection with the May Day demonstrations this year.

In June over a hundred students at Ham-It were taken into custody for anti-imperialist agitation. The prosecution demanded a sentence of ten years at hard labor. The Japanese papers report that in June five Koreans were sentenced to prison for from five to ten years for plotting to dynamite the railway bridge over the Yalu River and create disturbances in Korea in connection with the struggle against Japanese imperialism and the Manchurian war.

Those arrested for political offences are kept in prison for months under the worst imaginable conditions without any charges filed against them. Arrests and imprisonments may not be mentioned in the press without permission of the authorities. The various kinds of torture for which the Japanese police are notorious are all in common use in Korea, causing many deaths.

"Russian White Guards Again Busy in Harbin"

(Telegram supplied by Tass News Agency)

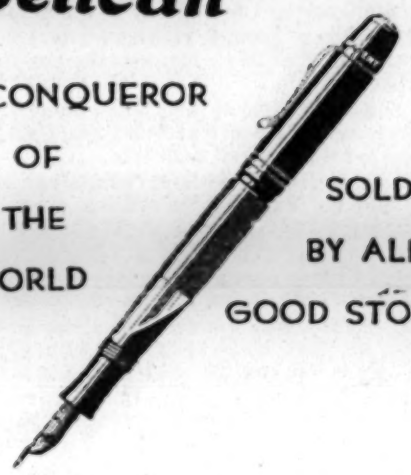
Moscow, Sept. 24.—According to information received here from Habarovsk, a provocatory leaflet, published by white guard elements, has made its appearance in Harbin. The leaflet calls upon Soviet workers and employees, in the name of some Manchurian committee, to strike and protest "by all possible means" against the Japanese and Manchurian authorities.

The Soviet consul-general at Harbin, M. Slavutsky, has demanded of the local authorities that they ascertain the identity of and arrest the provocateurs, who, according to all information, are in the employ of the Harbin police—a force which latterly has specialized in arrests of Soviet citizens on charges of destructive activities. It is considered here to be quite characteristic that the appearance of this false white guard document should coincide with a movement by the consular corps in Harbin, headed by American Consul General Hanson, for the enrolment in the Harbin police force of 600 additional white guards.

THE TRANSPARENT FOUNTAIN

PEN

Pelican



THE CONQUEROR OF THE WORLD

SOLD BY ALL GOOD STORES

SOLE AGENT

Reuter Bröckelmann & Co.

452 Kiangse Road, Shanghai.

BISHOP'S NATURAL FRUIT SALINE

A Palatable, Refreshing, Effervescing

BEVERAGE

THAT

COOLS and PURIFIES THE BLOOD

AND

CONFERS INESTIMABLE BENEFIT

ON THE HEALTH

PRICE PER BOTTLE: $2.20

MANUFACTURERS:

ALFRED BISHOP, LTD., LONDON

Agents for China:

INTERNATIONAL DISPENSARY, Shanghai

OBTAINABLE FROM ALL CHEMISTS

Men and Events

Dr. Anne Welter Fearn departed this week on a trip to Peiping.

Judge Milton D. Purdy of the U. S. Court for China departed this week on a trip to Peiping.

Julean Arnold, American Commercial Attache, departed this week on a trip to Hankow and Changsha.

Sir Robert Hotung, the Hongkong magnate, was received in audience by the Pope at Rome September 29.

According to a recent census made by the public safety bureau of Kaifeng, Honan, the population of that city is 252,886.

The Korean Ri Hosho, who made an attempted on the life of the Japanese Emperor at Sakurada Gate, Tokyo, last January, has been sentenced to death.

The Municipality of Greater Shanghai announces an increase of various taxes for the coming year as a means of counteracting a budget deficit of $3,000,000.

Cheng Chi-cheng and Chen Feng-shan, who recently shot and killed Chang Tsung-chang, the Shantung warlord, have been handed over to the Tsinan civil court for trial.

J. W. T. Mason, well known American journalist was the speaker at the University of Shanghai assembly October 4. He spoke on "The Spirit of Creative Action."

Lieuterant Edward Layton, U.S.N., who has been attached to the United States Embassy in Tokyo as a language officer, has proceeded to Peiping for special duty.

B. W. Fleisher, publisher of the *Japan Advertiser*, accompanied by Mrs. Fleisher departed from Tokyo Oct. 4 for the United States on a combined business and holiday trip.

By formally amalgamating the five towns around it, the City of Tokyo last week became the second largest city of the world, with a population numbering about five millions.

Bandits attacked and killed Fiji Takagi, a 23-year-old Japanese student who was on his way to Russia by the international train on September 24, at a point 416 kilometers west of Harbin.

The Peiping Municipal Authorities are planning to organize a force of police-women. Present plans provide for the recruiting of one hundred women from among primary school graduates.

The steamer *Ballshead*, which figured in smuggling of greyhounds into Shanghai through a small Yangtsze port last month, was advertised to be sold at public auction on October 6 by the Shanghai Customs.

Miss Virginia Teusler, second daughter of Dr. and Mrs. Rudolf Bolling Teusler, and Eric Crowe, third secretary at the British Embassy in Tokyo, were recently married in the chapel of St. Luke's hospital, Tokyo.

The resignations of Colonel Wen Ying-hsing and Hsu Pei-huang from their respective posts as Commissioners of Public Safety and Education for Greater Shanghai have been approved by the Executive Yuan.

Twelve hundred former employees of the Commercial Press started suit against 13 members of the board of directors of the said concern in the First District Court Sept. 28 claiming a million and a quarter dollars bonus and compensation.

Commander Lyell S. Pamperin, new executive officer of the U.S.S. *Rochester*, station ship of the U. S Naval squadron stationed at Shanghai, arrived here from Manila on a Dollar liner end of last week and has in the meantime taken command.

L. Rinds of San Francisco, who has been assisting the League Commission in the preparation of the Manchurian report, arrived in Shanghai this week and after a few days here plans to proceed to Europe. Mr. Rinds is a graduate of the University of California.

The Japanese Traders Association in Manila has sent a protest to Tokyo against the proposed increase of duties by the Philippine Islands aimed particularly at Japanese goods, and suggests that Japan should revive the idea of increasing the duty on Philippine lumber into Japan.

Three officials of the Ministry of Education, Messrs. Shih Shang-kuan, Tung Kuan-hsien and Kuo Hsin-sung, have been deputed by the National Government to inspect the various private universities and colleges in Shanghai. Among the institutions to be inspected by this delegation are the Law School of Soochow University, the Fuh Tan University, the Chih Tse University, the Shanghai Law College, and the Kiangnan College.

Upon the recommendation of Dr. Lo Wen-kan, Minister of Foreign Affairs, the Executive Yuan has decided to establish eight consulates as follows: Manchester, England; Bordeaux, France; Galveston, Norfolk and Los Angeles, America; and Moji, Fukuoka and Nagoya, Japan.

Yumihaohi Kataoka, President of the Imperial Salvage Company, of Japan, announced last week that he will shortly commence operations to recover two hundred million gold roubles from the Russian Cruiser *Nachimoff* which went to the bottom of the sea at the time of the Battle of Japan Sea.

The major portion of the destroyer arm of the U. S. Asiatic Fleet stationed in China waters returned to Shanghai during the week after having been stationed at north China ports during the summer. The U. S. S. *Houston*, flagship of the U. S. Asiatic Fleet, now at Hankow, will not return for some time.

Telegrams from Paris October 2 announced the safe arrival there of Dr. Wellington Koo, Chinese Minister to France. Dr. Koo is taking over charge of the Chinese Legation at Paris before leaving for Geneva to attend the meetings of the Assembly of the League of Nations as a member of the Chinese Delegation.

Wayloo Z. N. Yang, former member of the editorial staffs of the *China Press* and the *Shanghai Evening Post*, has entered law practice in Shanghai with offices at 172 Nanking Road, opposite the Continental Emporium. He is a graduate of the Comparative Law School of China with the degree of Bachelor of Law.

An automobile caravan under the leadership of Mark L. Moody, Shanghai auto salesman, made a successful trip during the week end between Shanghai and Hangchow over the newly completed motor road, thence from Hangchow to Nanking, and then back to Shanghai again from Nanking, the last lap being the first trip of this kind.

Miss Alice Weber of Zurich, Switzerland, a child welfare specialist in the field of mental hygiene, particularly for abnormal children, arrived in Shanghai during the week in connection with the work of the National Child Welfare Association of China. Miss Weber made a number of addresses during her stay here in connection with welfare work among children.

In Japan as in China much money has been raised by the public for the support of the army. Cash contributions made by the Japanese public to the army since the start of the Manchurian campaign a year ago amount to more than ten million yen. Many contributions were also made of articles for the use of the soldiers, among them being 1,884,900 comfort bags.

Frederick Moore, former correspondent for *The New York Times* in China, has been appointed an adviser to the Japanese Foreign Office at Tokyo. Mr Moore was an adviser to the Tokyo Foreign Office for several years prior to 1927 when he resigned to become correspondent for the *New York Times* in China. Recently Mr. Moore has been engaged in the curio business in New York.

George E. Lerrigo, honorary secretary of the Y.M.C.A. movement in China, passed through Shanghai during the week enroute to Peking, to spend six months at the Language School to study the national dialect of China. Mr. Lerrigo is a fluent speaker of the Cantonese dialect. He retired from active work a year ago and is now giving his services in an honorary capacity.

Ray G. Marshall, former *United Press* manager at Peiping and stationed at San Francisco for the past seven years, assumed charge of the Shanghai Bureau of the *United Press* during the week. He replaced Randall Gould, who has since gone on a tour of Manchuria. On his return in about a fortnight Mr. Gould will resume his post as editorial writer on the *Shanghai Evening Post*.

The marriage took place in the Holy Trinity (British) Cathedral in Shanghai Oct. 1 of Miss Julia Pan to Walter Kwok. The bride is the daughter of Pan Tse-chuen, general compradore of Jardine, Matheson & Company, Limited, and the groom is the son of Mrs. Kwok Pew and the late Mr. Kwok, former director of the Central Mint. The groom is a graduate of Massachusetts Institute of Technology and is at present an engineer of the Central Mint.

The Shanghai Association of Universities and Colleges held its annual meeting October 1 under the chairmanship of President J. Usang Ly at the Y.M.C.A. on Boulevard de Montigny. In the evening about one hundred persons attended a dinner presided over by President Lv. K. C. Pan, Director of the Bureau of Education for the City of Greater Shanghai and Y. H. Au, Vice-President of Great China University, were the speakers.

Miss Florence A. Kirk, Miss Rachel MacKenzie, and Miss Helen M. Loomis recently joined the staff of Ginling College at Nanking.

Leopoldo Aguinaldo, president of the Manila Chamber of Commerce, passed through Shanghai during the week enroute to the United States.

Dr. J. C. McCracken, superintendent of St. Luke's Hospital, sailed for the United States during the week on the Dollar Liner *President Cleveland*.

W. P. Feun, B. A. Slocum and W. Reginald Wheeler arrived in Nanking during the week from the United States to join the teaching staff of the University of Nanking.

Miss Maud Russel, member of the National Committee, Y. W. C. A. has returned to China and will resume her work at Changsha shortly. Since leaving China Miss Russel has traveled in South America, Europe and Russia, returning directly to China from the latter country. While in Russia Miss Russel taught for a time in an English school in Moscow.

Admiral Richard Leigh, Commander-in-chief of the U. S. fleet, will be in command of the naval bases at both Pearl Harbor and the Canal Zone, after November 1, according to a recent announcement from Washington. Admiral Leigh will re-establish his usual headquarters aboard the battleship *Pennsylvania* as soon as repairs on the vessel are completed in the Puget Sound navy yards.

U. S. Warships to Stay in Pacific Waters Until February

Reassembling of the Atlantic fleet has again been delayed by orders issued at Washington Sept. 30 when it was announced the fleet would remain in Pacific waters until after the maneuvers of the battle force next February. In making the announcement, Admiral Willian V. Pratt said the scouting fleet, which had been scheduled to sail for the Atlantic coast, would obtain better fleet training by remaining on the Pacific coast. Naval officials, he said, decided the limited period of concentration had not afforded sufficient training. A contributing factor he said was economy of operation. Expenditures for fuel oil and other supplies would be less if the fleet undertook to re-assemble in the Atlantic. Breaking the school terms of officers' children was also a consideration, Admiral Pratt said.

[The real reason for the American fleet's stay in the Pacific—which it would not be international etiquette to state officially—is the strained political situation in the Far East—Ed. *C. W. R.*]

An American Consul Kidnapped in Persia

Robert Bissell Streeper, who served at the American consulate at Canton in 1924 and later at other points in China, recently was the victim of a sensational kidnapping incident at Teheran, Persia, where he is serving as Consul and Third Secretary at the American Legation. According to the report which appeared in *The Chicago Tribune*, Mr. Streeper with two other American consular officials was traveling from Bagdad to Teheran when they, were captured by tribesmen and held for three days before their release was effected. The incident occurred on Sept. 4. The motive for the kidnapping was said to have been political. The American Minister at Teheran is Charles C. Hart, a former newspaperman from Portland, Oregon. Mr. Streeper is a native of Columbus, Ohio and prior to his appointment to the diplomatic service was a trade secretary of the Department of Commerce.

Secretary Stimson Reiterates American Far Eastern Policy

Reiteration of the United States Far East policy as the preservation of China's territorial and administrative integrity was made by the Secretary of State Colonel Henry L. Stimson, in a speech at the Union League Club in Philadelphia October 1.

Colonel Stimson described the crisis in Manchuria as being "not only a blow to our commercial interests, but also a deadly threat to the authority of the great peace treaties which after the War were conceived by the nations of the world in a supreme effort to prevent a recurrence of such a disaster." Colonel Stimson asserted that the United States should avoid discriminatory and entangling relations, either political or economic, with any nation," likewise bargaining over tariffs and preferring one customer to another.

EAT AT

Jimmy's

212 Szechuen Road

The only American Restaurant in Shanghai

TRY OUR HOT CAKES

Branch at 105 Broadway
Open all Night

HAVE YOUR MEALS AT

·C·U·A· Café

China United Building
104 Bubbling Well Road

WHOLESOME FOOD
BEST DRINKS
REASONABLE PRICES

In the United States Court for China

In re.
LAST WILL & TESTAMENT
of
MALKAH HARRIS SHEEKS
Deceased

Cause No. 3463
Special Proceeding No. 793
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of MALKAH HARRIS SHEEKS, deceased, to present the same with vouchers to the undersigned on or before March 17, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

George Le Mar Sheeks
Executor
47 Peking Road
Shanghai.

Shanghai, China,
September 9, 1932.

In the United States Court for China

In re.
Estate
of
PERCY DICKSON WEBB
Deceased

Cause No. 3472
Special Proceeding No. 797
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of PERCY DICKSON WEBB, deceased, to present the same with vouchers to the undersigned on or before March 24th 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

CHAUNCEY P. HOLCOMB,
Administrator
12 Kiukiang Road,
Shanghai, China.

Shanghai, China.
September 9, 1932.

New Books of Interest in the Far East

A Valuable Text-Book on Law

Outlines of Law and Methods of Research and Thesis Writing, by Dr. Kalfred Dip Lum, published by the Mercury Press, Shanghai, 1932.

Dr. Kalfred Dip Lum, visiting professor of political science in Hangchow Christain College from Hawaii University, is to be congratulated upon his two excellent works: "Outlines of Law" and "Methods of Research and Thesis Writing" which have just come off the press. These two books will prove of great value to Chinese students in gaining a comprehensive knowledge of the general principles of law and learning the methods of scholastic research. They fill an important and timely gap which has been left vacant for many years. As far as our knowledge goes, Dr. Lum's work on the general principles of law is the first book of its kind written in the English language by a Chinese scholar, despite the fact that hundreds of books on legal topics are being produced in China annually; as such, it is most welcome. As indicated in its preface, the book was written primarily for use as a text for the author's students in particular and Chinese students in general beginning the study of law and science of government, and in this the author has eminently succeeded.

As an introductory course of law, the book is the most comprehensive and a highly scholarly piece of work ever done in China. In general it proves to be an instructive and interesting book on legal matters for those desiring a knowledge of the basic principles of law. It is written in clear and plain language and is most suitable as a text book. As the author is an American educated scholar and received his advanced education in American universities, the book contains many principles of Anglo-American jurisprudence which will be of particular interest and value to Chinese students. Chinese laws adopted during the early stages of judicial reform were largely modelled after the patterns of the Japanese law, while the latter had copied copiously from the German codes. Because of this background, Chinese laws are as a whole more influenced by European jurisprudence than by Anglo-American laws. Because of the same reason, most of the textbooks on law in Chinese schools were based upon European legal treatises and have either been translated from Japanese law books or written by Chinese returned students from Japan. Such textbooks while containing many fundamentally sound principles, however, are obsolete and unsuitable for modern use, especially in view of the fact that Anglo-American commercial laws are steadily exercising a great influence in Chinese new codes and many new principles of law have been introduced. For this reason, a study of general principles of law based upon Anglo-American jurisprudence is of importance. Dr. Lum's present volume is just the book which is needed in China today.

The book is divided into four parts which contain twenty-one chapters covering practically all the important topics on law. The first Part deals with the elementary principles of jurisprudence. The chapters on Roman Civil Law, the English Common Law and development of equity are specially valuable, as they present in a concise and clear manner the growth of two great systems of law in the West and their fundamental principles, which are foreign to Chinese conception. The law of equity is a peculiar institution of the English jurisprudence and outgrowth of a peculiar circumstance in England. Although somewhat puzzling and difficult of study for Chinese students, it is an important branch of English law, a knowledge of which is necessary preparatory to the advanced study of the English jurisprudence. An instructive chapter is also witten on Chinese laws with a brief historical introduction. The second part of the book discusses the legal procedure, the forms of actions and their application. This branch of law is generally called adjective law. One of the peculiar institutions in the procedural laws of the Anglo-American system is the institution of jury trial, which is alien to both the Roman system and Chinese laws. Dr. James Legge's allegation that the system originated in China and was instituted by Confucius is not based upon convincing evidence. It is definitely an Anglo-Saxon institution.

Chapters in Part Three of the book are grouped under the general heading, Private Law. It discusses such topics as domestic relations, principal and agent, Corporations, Property and Property rights, contracts, torts, etc. The general principles governing these are mostly based upon Anglo-American laws. Part Four is devoted to the study of public law. It contains four chapters, two of which deal with national public laws, the Criminal Law and Administrative Law, while the other two treat of the international laws: Conflict of Laws and International public Law.

In addition to the main parts of the book, there is attached an appendix with examples of legal forms and a glossary of legal terms and a general bibliography. The book abounds in notes and citations and each chapter is followed by a list of selected reference works. The book is neatly printed and nicely gotten out.

C. H. Hoh.

Sin-Conscious Chicago Vs. Godless Shanghai

The Taxi-Dance Hall: A Sociological Study in Commertialized Recreation and City Life, by Paul G. Cressey; The Uuiversity Of Chicago Press.

The "taxi-dancer" in American idiom is a girl who dances for hire at a certain fee a dance. The taxi-dance hall, however, is not quite the equivalent of the Shanghai cabaret for there are no drinks sold on the premises, at least openly, and a patron must buy a certain number of dance tickets to enter the hall. The girl's total earnings on the premises are derived from dancing, usually half of the ten gold cents fee per dance of 60 to 90 seconds.

Mr. Cressey's volume, written as a result of investig ations by the Juvenile Protective Association, is an exceedingly interesting study of the taxi-dancer, her surroundings, her patrons, and her sex life, with the inevitable chapter in such studies on the "problem" of the taxi-dance hall and "social reform." All of which comes as qui'e a suprising shock to a well acclimated resident of the "Model Settlement" of this wicked city of Shanghai.

There must be as many seductions, free love alliances, racial disturbances, family smash-ups, marriages, walk-home/or. . . .-motorcar rides, etc. in connection with the Shanghai cabarets as there are in connection with the taxi-dance halls of Chicago, with which Mr. Cressey's study deals, but since no one here has yet compiled a detailed record of the situation with some scores of case histories, we godless and benighted ones are blissfully unaware of all the outraged virtue around us. But Chicago, in common with most American cities, is very sin-conscious wherefore we have many titillating tomes on vice and crime there to thrill us over here, although if a certain prominent resident of the French Concession, or any veteran White Russian charmeur who thinks wine means only champagne, ever chooses to write a book, we could easily put Chicago in its proper place as an upstart, adolescent city in everything pertaining to gangs and deviations from moral rectitude.

Nevertheless, many of the facts that Mr. Cressey presents are highly illuminating. For example, one of the forms of sexual alliances developing from the taxi-dance hall is an illicit polyandry, where a taxi-dancer retires from her Terpsichorean enterprise to be "true" to three or four or five men who share the cost of her upkeep in an apartment. Polyandry is usually regarded as being due to an excess of men over women, as in Tibet, but in Chicago it results from the fact that many a young man is unable to maintain one woman exclusively either as a wife or mistress and the plural arrangement is regarded as a better alterrative than patronage of common prostitutes.

Another item given in some detail by Mr. Cressey is that the taxi-dance halls are especially popular with Orientals, both Chinese and Filipinos, who are largely deprived of feminine companionship of their own races in the United States and, because of social prejudice are more or less ostracized by the average run of white girls. So they turn to the taxi-dance halls where the girls are almost always willing to dance with anyone who buys tickets and are frequently willing to go farther, particularly if the Orientals have money. This frequently results in many situations that are unfortuate to everyone concerned.

Another instructive note is that taxi-dance halls are never publicly presented for what they are; they are invariably called "dancing schools" and the girls are represented as "teachers!"

While Mr. Cressey's book ranks high as information, its suggestions of "reform" are puerile. The taxi-dance halls are, generally speaking, merely a form of prostitution and the principal impetus for their development was the elimination of legal prostitution. If they are also outlawed, or are so regulated that the girls are forced to be "moral," the "problem" will spring up in a new form. The only way prostitution in any form can be elimirated is through a social system in which there is neither economic nor sexual incentive for its existence. By the latter is meant the

group of coventions still effective whereby numerous unmarried men, especially comparative strangers in various cities, can find no way to express the sex impulse except through commercialized channels. So far the Soviet Union is the only country in which prostitution in any form is virtually non-existent. There are many, of course, who think its economic and sexual *mores* are worse than prostitution, but it should be intelligently recognized that the social system of the U. S. S. R., at least in large part, is the only practicable alternative to harlots, taxi-dancers, and others of their ilk. W.B.

Tourist Guide to Italy

Italy Yesterday And Today, by A. Marinoni; published by The MacMillan Company, New York City.

Here is a rhapsodic description of Italy, with 128 excellent half-tone illustrations, that would be quite useful to anyone contemplatating a tour of that land. Save for the first chapter, the book is purely a tourist guide, but well done and interesting. The first chapter is an impassioned eulogy of Mussolini and what he has allegedly done for the greater glory of "la Terza Italia."

Everything in Fascism is good, according to Mr. Marinoni, who appears to be an American of Italian extraction, and while many exceptions could be taken to his attitude, it is not a bad one to assume for a visitor in Italy, at least until he leaves the land. Otherwise his visit will be quite unpleasant. Furthermore, adoration of Mussolini is, from a practical viewpoint, always desirable in an Italian-American, for the arm of Fascism is long and many unpleasant things have happened in the "Little Italys" of the United States to the sons of Rome who do not sing praises to "Il Duce." Consequently, it is best to dismiss Mr. Marinoni's Mussolini-worship with an ironic smile since it is merely a minor *aide memoire* of his book.

While the description of the principal show-places of Italy are very complete, much has been left out that would have added to the zest of the volume. For example, Pompeii is a much more interesting place than he makes it out to be, but perhaps he thought a technical account of the aspects revealed there of the sex life of the ancient Romans would be too shocking to the staid middle western Americans who, before the depression, provided Italy with its greatest tourist income. Besides, the female tourists would be highly disappointed to read about something the very proper guides will not let them see when they wander in the ruins of Pompeii.

Mr. Marinoni is very strong on Italian politeness, but he forgets, or maybe neglects, completely to warn the prospective visitor of the more pronounced and disagreeable characteristic of attempting to charge a stranger from three to ten times more than the correct price of anything purchased. The professional guides, it is true, are regulated and the charges for their professional services fixed, but that does not prevent their politeness from masking a prescvering brigandage. And there is no defense save an exceedingly hardboiled temperament against the attempted exactions of inn-keepers, cafe-keepers, shop-keepers, servants, and other persons with whom a visitor must deal.

However, despite all these "polite" annoyances, the reviewer does not know of any land, excepting possibly Spain, that is more pleasant for a holiday than Italy,—even with Mussolini on the throne in Rome. W. B.

Shanghai, Sept. 15, 1932.

The Beautiful Capital of U. S.

Washington Sketch Book, By J. Frederick and Helen Essary; Randsell Incopbrated, Washington, D.C.

It is very fitting, indeed, that the capital of the United States should be one of the half dozen most beautiful cities in the country with many persons regarding it as the most beautiful, and this little well illustrated volume by the famous Washington correspondent of the *Baltimore Sun* and his wife does the metropolis full justice.

There are 69 sketches in the book of the most outstanding and beautiful buildings and scenes in Washington and each is accompanied by a full-page, superp picture of what is being described. The sketches are highly informative but brief. As a guide-book the volume is a masterpiece and no one who visits Washington with a view of really seeing the city should fail to keep a copy handy at all times.

But whether one is in Washington, or has been there, or plans to go, or never expects to go, the book is well worth perusal as a description of the most pleasing side of one of the world's outstanding capitals. W. B.

"The Peiping Chronicle"

Peiping's English Language Daily

"THE PEIPING CHRONICLE" presents news impartially and promptly, interprets current events in a sane and liberal spirit, and editorially supports progressive and constructive policies.

"THE PEIPING CHRONICLE" enjoys a wide circulation in North China and other places, and is considered the best medium for advertising.

"THE PEIPING CHRONICLE" Job Printing Department offers Prompt Service, Quality, Efficiency and Reasonable Rates.

2 Mei Cha Hutung
Peiping, China

Cable Address
"Chronicle"

NOTICE

To Subscribers

(*Residing Overseas*)

Dating from August 1, 1932 the subscription rate for persons residing outside of China has been reduced from G.$10 a year to G.$8 a year, including postage.

The new rate applies to subscribers residing in the United States, Canada, Europe and Russia.

The new rate, estimated in the currency of the Federated Malay States is equivalent to s. s. $15. In India, Australia and other places using English currency the rate is equivalent to £2:8:0.

The China Weekly Review

38 Avenue Edward VII
Shanghai.

Chinese Publicity in England

The China Review, Quarterly Publication; Editorial Office, 39 Temple, London, E. C. 4.

The *China Review* is an attractive and instructive publication which was started by Chinese interests in England early in the present year, the first number covering the April-June period while the second number covered the July-September period. The latest issue includes 60 pages and contains articles dealing with the retiring and new Chinese Ministers in London, Japanese attempts to break up the Chinese customs service, Sino-British Cultural Relations, Chinese Industrial Workers by Dame Adelaide Anderson; Economic and Industrial Reconstruction, by Sir Robert Ho-tung; What Has Japan Brought to Marchuria, by Dr. W. W. Yen; Some Aspects of Missionary Work in Shansi, by E. H. Edwards; China as a Market for Textiles, by C. D. Silas; The League and the Sino-Japanese conflict, by Tsooming Chiu. In addition there are articles dealing with Chinese students in England and elsewhere, documents dealing with the Sino-Japanese conflict, etc. The publication contains numerous advertisements of British concerns interested in China trade.

READERS of *The China Weekly Review who* may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

Famine Relief Commission Aids Manchurian Refugees

As a result of conferences held between Hsu Shih-ying, Chairman of the General Famine Relief Committee, T. V. Soong, Minister of Finance, a sum of $50,000 will be appropriated by the Ministry of Finance for the relief of the flood refugees in Kirin and Heilungkiang. This amount, added to the public contributions previously obtained in Shanghai, will make a total of about $500,000 remitted to the flooded areas.

The United Philanthropic Association of Shanghai for the Relief of North-Eastern Refugees, is raising a sum of $150,000 for the purchase of cotton clothing for distribution among refugees in Manchuria. The Association has recently been formed by nine loyal philanthropic societies including the Chinese Red Cross Association, the Chinese International Famine Relief Commission and seven others. It counts among its directors such well-known leaders as Dr. C. T. Wang, formerly Minister of Foreign Affairs, Hsu Shih-ying, Chairman of the General Famine Relief Committee, Wang Hsiao-lai, Chairman of the local Chamber of Commerce and Wang I-tang, noted philanthropist.

Negotiations for Another Wheat Loan to China

An agreement providing for a second wheat loan of G.$12,000,000 between China and the United States is pending at Nanking. The negotiations are in the hands of Willys R Peck, the American Consul-General, Gen. Chiang Kai-shek and T. V. Soong, the Finance Minister. The negotiations involve about G.$10,000,000. The previous American wheat advance went to the relief of flood victims and generally was used to feed refugees or was used in lieu of money for paying refugee laborers engaged in dyke construction. The results were generally satisfactory. According to report it is the intention to use most of the new consignment, providing the deal materializes, in reconstruction activities in the districts of central China which are gradually being liberated from control of the red-bandits.

Who's Who in China

Kalfred Dip Lum educator, born in Honolulu, T. H., Dec. 25, 1899; native of Chung-shan, Kwangtung; graduate of Kalihiwaena School, Jackson Institute, Iolani College, Honolulu; B.A., University of Hawaii, 1922; M.A., Columbia University, 1923; attended New York University Law School, 1923-1925; Ph.D. in government and public law, New York University, 1926; founder and first principal of Min Hon Chinese School, Honolulu, 1917-1922; commissioner of Chinese language schools, Department of Public Instruction, Honolulu, 1922; counsellor and solicitor, Corn Exchange Bank, Chatham Square, New York City, N. Y., 1925-1926; instructor and professor of political science, University of Hawaii, 1926-1932; on international good-will lecture tour to Japan, China, and the Philippines, 1928; executive secretary of Kuomintang Hawaii's branch, Honolulu, 1929-1932; president of United Chinese News, Ltd., Honolulu, 1929-1932; Hawaii's Overseas Chinese Delegate to National People's Congress, Nanking, 1931; Hawaii's Kuomintang Delegate to Fourth Kuomintang Congress, 1931; commissioner of overseas affairs, National Government, Republic of China, and visiting professor of political science in Hangchow Christian College since September 1931; member of Phi Kappa Phi honorary fraternity and various other academic societies; author of "The Evolution of Government in Hawaii," "Outlines of Law," "Methods of Research and Thesis Writing," etc. Present address: Hangchow Christian College, Hangchow.

林　曇

Dr. Kalfred Dip Lum (Lin Tih)

林曇，別號景雯，一八九九年十二月廿五日生於檀香山火奴魯魯，原籍廣東中山縣，曾畢業檀香山架利喜溫拿小學，鑒辰中文學校，意奧蘭尼中學，一九二二年畢業檀香山大學，得文學士學位，一九二三年畢業美國哥倫比亞大學，得政治碩士學位，一九二三年至一九二五年間，在美國紐約大學法學院研究法律，一九二六年得紐約大學政治及法律哲學博士學位，一九一七年至一九二二年，在檀香山大學肄業時，創設香山明漢華文學校，並充任校長，一九二二年檀山香山教育部中文學校委員，一九二五年至一九二六年，任美國紐約干易遷時銀行顧問，一九二六年至一九三二年任檀香山大學政治學系教授，一九二八年之夏，環遊東亞日本中國及菲律賓諸邦，演講國交友誼道義，並考察各處政治，爲其教材之助，一九二九年至一九三二年任檀香山中文公報總理，同時兼任中國國民黨駐檀總支部常務委員，一九三一年任中國國民會議檀香山華僑代表，及四中全會檀香山總支部代表，現充任國民政府僑務委員，及杭州之江大學政治學系教授，其著作有「檀香山政治之演進」，「法律大綱」，「研究科學之方法」等書。現在通信處：杭州閘口之江大學。

Moscow Hits British News Agency for Spreading Provocatory Rumors

(Telegram Supplied by Tass News Agency)

MOSCOW, Oct. 5—Information has been received here from Habarovsk indicating that a certain British news agency, quoting white guard sources in Harbin, has been releasing for publication provocative rumors alleging that the rebel Chinese forces which last week captured Manchuli and other towns on the western line of the Chinese Eastern Railway "were receiving some support from the Soviet Government".

The agency in question stated, also, that "a Russian Communist is acting as interpreter to the anti-Manchukuo forces at Hailar" and that he also "is acting as an inquisitor, arresting and torturing White Russians and Japanese who fall into his hands." It is considered here to be quite characteristic that from American sources in Harbin there have emanated similar provocatory rumors, alleging that the U.S.S.R. is supporting General Shu Ping-wen, leader of the rebel forces which captured Manchuli. In this connection attention is again called to the fact that of late the American consulate-general in Harbin has been extensively reinforcing its work among the White Russians. The American-owned newspaper *News*, published in the Russian language in Harbin, carried a sensational report of "a revolt led by Chinese and Koreans who have returned from the U.S.S.R." These vicious and provocatory rumors, it is felt here, are without question meant to aggravate relations between the U.S.S.R. and Japan. For very evident reasons, it is stated, they are also spreading similar reports in the Chinese press of Manchuria.

Mission Enquiry Report Foreshadows Many Changes

The final stage of an investigation begun two years ago by protestant churches to determine whether they should continue preaching the Christian gospel in the Far East is about completed and the report will be released early this winter, says a New York dispatch. Far-reaching changes in the plans and scope of missionary work will be recommended in the report. Methods of preaching the gospel, organizing social and institutional work as well as the general effect of the whole effort, have been investigated. The report will also show whether in the majority of instances, the Native Christians are now able to carry on the work through their own churches without foreign supervision.

Tories in Firm Control of British Cabinet

Before the recent changes, the British National Cabinet was composed of 12 Conservatives, four National Laborites, two Liberals and two National Liberals. Now the cabinet is made up of 13 Conservatives, three Laborites, and three National Liberals. England now has a cabinet which will henceforth be unanimous in all its decisions. Its parliamentary majority will remain behind it and will allow the cabinet full liberty of action.

American Oil to Be Supplied for Japanese Navy

It was announced at Los Angeles Sept. 29, that the Japanese Navy has contracted to purchase 280,000 barrels of high gravity Kettleman Hills oil from the Union Oil Co., of California and 140,000 barrels from the Standard Oil Co., of California. The agreed price is G.$1.14 per barrel. Under the contracts, delivery was to begin on October 1, and must be completed before the end of the year.

Nanking's Military Expense in September Was $14,500,000

A total of $2,940,000 administrative expenses and $14,500,000 military expenses were paid by the Ministry of Finance for September, it was announced from the Finance Ministry at Nanking Sept. 30. The expenses were appropriated on the retrenchment basis.

Shanghai Y. W. C. A. Opens New Building

The National Committee of the Y. W. C. A. of China opened its annual meeting on October 1 at the new headquarters building, at 19 Yuen Ming Yuen Road, with Mrs. C. C. Chen, chairman of the committee, presiding. The formal opening of the new building was scheduled to be held on the afternoon of October 7.

USE

ANGEL 安琪兒

This wonderful face cream removes freckles, cures pimples and eruption, whitens skin and beautifies complexion amazingly.

MYOTREN *for skin diseases*

妙特靈 皮膚病藥

OBTAINABLE AT

WING ON, SINCERE, LEE HWA and OTHER DEPARTMENT STORES and DISPENSARIES

CUSTOMS NOTIFICATION

(No. 1244)

With reference to Customs Notification of the 20th November, 1931, notifying the date of enforcement of the new regulations in connection with the registration of vessels and the issue of National Papers, and to Customs Notifications of the 12th February and the 2nd April, 1932, stating that the enforcement had been postponed to the 30th Sept. 1932, the public is hereby notified that the time limit within which vessels must obtain a Certificate of Nationality has again been extended for a period of three months to the 31st December, 1932.

H. O. Tong,
Superintendent of Customs.
F. D. Goddard,
Commissioner of Customs,
Officiating.

CUSTOM HOUSE,
Shanghai, 3rd October, 1932.

SICK HEADACHE MISERY

Congested liver and lazy bowels bring sick headaches. Poisonous waste matter is being re-absorbed into the blood from the congestion in the intestines. The congestion must be relieved and the system cleansed by a few doses of Pinkettes.

Pinkettes act gently and thoroughly. Because they are a natural vegetable aperient, Pinkettes relieve without griping and without forming any habitual need for laxatives. Avoid Sick Headache miseries by an occasional dose.

TRADE MARK PINKETTES

The Intestinal Cleansers,
KEEP YOU FIT.

Koreans on Soviet Collective Farms

A recent Moscow telegram stated that there are in the Soviet Far Eastern provinces, 9 Ukrainian districts, 4 partly Ukrainian districts, 1 Korean and 1 Jewish district. In 11 other districts there are 76 Korean villages, with Soviets. It is stated that the Koreans are rapidly turning from their semi-feudal mode of life and work to socialist methods; more than 84 percent of the population of one of the Korean districts belong to collective farms.

Shantung Philanthropist Donates $30,0000,-000 to Chinese Government

Liang Tso-yu, one of the village gentry of Huangshien in Shantung province, who the telegrams state is a deformed-man of low stature, has offered his entire fortune of $30,000,000 to the National Government. Of this money 20 per cent is to be contributed to mili ary funds, 20 per cent for the relief of the poor and 60 per cent for the development of industries. General Han Fu-chu, Chairman of Shantung province, has heartily endorsed the plan. Mr. Liang is known in his village for his frugal and abstemious manner of living.

Transport Dispute Is Settled in Judge's Chambers

The case of the China Transport & Storage Co. against L. Everett & Co., the latter formerly being the maraging agents for the former, came to an abrupt end in the U. S. Court for China Sept 30. Following days of almost fruitless examinations and cross-examinations of witnesses, Judge Purdy suggested that the case be adjourned into his chambers to see if a settlement could not be reached. When the public sessions were resumed, F J. Schuhl withdrew the case on behalf of the plaintiffs. The terms of settlement were not made public.

N. F. Allman, Trade Mark Expert, Opens His Own Law Office

N. F. Allman, prominent American lawyer in Shanghai until recently associated with the law firm of Messrs. Fleming, Franklin and Allman, which was dissolved following the demise of Mr. Fleming, has opened law offices in the Hamilton House, where he has started to practice law in his own name. Mr. Allman is an authority on Chinese trade mark laws and in addition to translating these laws into the English language, has translated various other Chinese codes including the Company Laws.

Kueichow Official Involved in Opium Smuggling

Shuang Ching, member of the Kueichow Provincial Government and formerly General Manager of the Eurasia Aviation Corporation, who is stated to be implicated in the *Yung-nien* opium scandal, has been arrested at Chungking and brought to Hankow for trial. Large quantities of opium and morphine were discovered last month on board the steamer *Yung-nien* when it arrived at Hankow. Shuang Ching's wife, who was travelling on board, was subsequently detained.

T. V. Soong May Become Permanent President of Executive Yuan

The Central Daily News, official organ at Nanking, recently intimated that T. V. Soong will be appointed permanently to the post of President of the Executive Yuan, a post which he has been filling temporarily during the continued absence of Wang Ching-wei, who has been making an extended stay at Mokanshan and who has once more asked for an extension of leave for a month on the score of continued illness.

"Double Tenth" Not to Be Celebrated

The "Double Tenth," the anniversary of the Chinese Revolution, will not be celebrated in China this year. Lin Sen, the President of the National Government, issued instructions Sept 28 at Nanking that, in view of the national emergency, all Government organisations should not hold any celebrations October 10.

Nanking Refuses to Recognize Canton Supreme Court

The Ministry of Judicial Administration issued identic orders at Nanking Oct. 4 to the High Courts of Kwangtung, Kwangsi, Fukien, Yunnan, and Kueichow to the effect that all judgments and rulings of the so-called South-western branch of the Supreme Court, which has been established at Canton without due authorization, shall be considered legally invalid. No decisions rendered by it shall be regarded as precedents binding upon the lower courts, the order further instructs.

Hsingkuochun Army Is Active in Honan

Wang Chien-chuan, commander of the first route army of the so-called Hsingkuochun or National Rising Army, and Tung Ming-fu, a division commander of the same army, both were arrested at Chengchow by the garrison army on September 25. On the same day, another Hsingkuochun division commander, named Niu Hsiang-chiu, was arrested at Loyang, West Honan. The Hsingkuochun army has appointed five higher military commanders in West, East, South, North, and Central Honan respectively. Each commander governs four divisions, They are attempting to recruit all the bandits, Red Spears, and People's Armies throughout the whole of Honan province. They plan to riot on the ninth month, ninth day with a view to overthrowing the present provincial government.

Amphibian Plane in Accident at Hankow—Brought to Shanghai for Repairs

An amphibian plane belonging to the China National Aviation Corporation met with a slight mishap early last week while being taken out for a test preparatory to its flight to Chungking the following day. The plane had just been disconnected from its buoy and was taxiing down the river to take off when it hit some sunken object. The nose of the plane was damaged and it had to be immediately beached by its pilot, V. E. Smith, to prevent the machine from sinking.

The plane was brought to Shanghai for repairs. Another plane was immediately dispatchd to Hankow by the China National Aviation Corporation and their regular schedule was not interrupted. Previous reports of an airmail plane making a "nose-dive" into the Yangtzse at Hankow proved to be incorrect.

Five Japanese Cotton Mills to Be Removed to Mukden

As a result of the new customs duties being imposed by Manchukuo, five of the Japanese cotton mills in Shanghai are in due course to be removed to Mukden. Of the five, two belong to the Tokwa Boseki Kaisha, two are called the Pootung Mills and the remaining one the Huafong Mill. The decision to move was reached after the recent inspection trip of T. Tasaka, President of the Japan China Spinning Co. to Manchuria. The manager of one of the mills concerned has denied the intended removal of the mills, but reports from other sources and the general indications are that these Japanese mills will in due course remove their machinery to Manchuria.

Nanking Suspends Shanghai Wharf Labor Union

With reference to the recent wharf dispute in Shanghai as a consequence of which several wharf laborers were arrested by the Greater Shanghai Municipal Authorities, the Standing Committee of the C.E.C., at a meeting held in Nanking Sept. 29 decided to order the suspension of the Wharf Labor Union and to despatch three special deputies to Shanghai to investigate the case. The meeting also decided to instruct the Greater Shanghai Municipality to release the detained wharf laborers and hand over the case to the local Court.

Alleged Japanese Chapei Puppet on Trial at Soochow

Hu Li-fu, the alleged puppet of the Japanese during the Shanghai hostilities last spring and head of the so-called Chapei Peace Preservation Committee, was formally charged at Soochow Oct 1 by the procuratorate attached to the Kiangsu High Court on six counts, viz, establishment of organizations endangering the safety of the State; rendering aid to the enemy; opening of gambling establishments; trafficking in opium; establishment of opium dens; unlawful possession of arms.

New York Japanese Form Own Chamber of Commerce

The Japanese merchants in New York formed their own Chamber of Commerce Sept. 20. At a banquet, at which many prominent American bankers and business men were in attendance, Dr Inazo Nitobe, prominent Japanese propagandist, spoke for about an hour concerning Manchuria as an outlet for American goods and as a field for investment.

Canton Silk Slump Caused by Japanese Dumping

According to reports appearing in the Chinese press the Cantonese raw silk export trade, which had been steadily reviving during the last two months, is again suffering a sharp decline on account of strong Japanese competition. The sudden decrease in the export of the Canton product is stated to be due to the fact that a great quantity of stored-up silk has been recently exported from Japan to New York and this dumping on an already dull market has brought down immensely the selling prices of Chinese raw silk.

Japan's Paper Exports to China Show Heavy Decrease

The exports of paper from Japan to China for the first half of this year totalled 37,209,000 lbs., valued at Yen 3 742,000, decreasing by 57.7 percent in volume and also by 63 percent in value, compared with the corresponding period of last year, reports the Japan Paper Manufacturers' Association.

Central Bank of China Statement as Per September 30

The Supervisory Committee of the Central Bank of China reported Sept. 30 that dollar notes in circulation amounted to $26 933,810 and subsidiary notes to a value of $3.228,382, making a total of $30,162,192, against which there were adequate reserves—namely a cash reserve of $24,448,192 and securities reserve of $5,714,000.

Japanese "Goodwill" Mission to U. S. A. Is Cancelled

The projected Japanese "goodwill" mission to the United States headed by Admiral Nomura will not eventuate, according to the Japanese Embassy in Washington owing to the eye injury the Admiral sustained in the bombing outrage, at Hongkew Park on April 29.

China's Acting Minister in Washington

The State Council at its session at Nanking October 4 decided to appoint Dr. Alfred Sze, former Minister to London, to be Acting Minister to Washington during the absence of Dr. W. W. Yen, who is now heading the Chinese delegation at Geneva.

Latest New York Stock Exchange Quotations

Market:—Irregular Business Done 1,200,000 Shares

Oct. 5, 1932

1931 High	1932 Low	Div.$ per Sh	STOCKS	Mon. Oct 3	Tues. Oct. 4
9⅜	1⅝	—	Adams Express	7⅜	7½
87½	42½	•6.00	Allied Chemical & Dye	80	80½
14½	4	—	Allis Chalmers	11½	11⅛
73⅞	29⅝	•4.00	American Can	54⅝	54⅞
14½	2		Amer. & Foreign Power	10½	10¾
9⅝	1⅛	—	Amer. & For. Power W.	6¾	6⅞
26½	5¼	—	American Smelting	18⅝	18⅝
137⅜	70¼	9.00	American Tel & Tel	112	112½
86¼	44	•5.00	American Tobacco "B"	80½	79¼
34⅛	11	2.00	American Waterworks	26	27
18⅜	3	—	Anaconda Copper	12½	12⅜
151¾	28¾	•4.00	Auburn Automobiles	54	55
21⅜	3¾	—	Baltimore & Ohio	16¾	16¼
29	7¼	—	Bethlehem Steel	23½	23⅛
43⅛	20	•2.00	Borden Company	29⅞	29½
13½	3⅜	—	Borg Warner	10⅞	11⅜
20⅝	7¼	—	Canadian Pacific Railway	16½	16½
63¾	16¾	—	Case, J. I.	54¼	54⅞
47⅞	19	2.00	Chase Bank	41¼	41
20⅝	4¾	2.00	Chesapeake Corp.	16	15⅝
21	5	1.00	Chrysler	18	17⅞
6⅞	1¼	—	Cities Service Co.	4	4⅛
20⅞	4¼	1.00	Columbia Gas & Electric	17½	17
5	1⅜	.30	Commonwealth & Southern	3⅜	3¾
15/16	1/16	—	,, ,, warr.	⅝	⅝
68¾	31½	4.00	Consolidated Gas. of N.Y.	60¾	60⅞
9⅛	3⅜	—	Continental Oil	6¼	6⅛
50	21¼	•3.00	Corn Products	51¾	52
4¾	1⅛	—	Coty Inc.	5⅛	5¼
3	⅞	—	Curtiss Wright Co.	1⅝	2½
57	23	4.00	Drug Incorporated	39	39
59¾	22⅛	2.00	Du Pont de Nemours	42	41½
87⅛	35¼	3.00	Eastman Kodak	55¼	54¾
45¼	5	6⅞	Electric Bond & Share	33⅛	33⅝
15½	2¾	—	Electric Power & Light	11⅜	11½
5⅝	1	—	Fox Film "A"	3¾	3⅝
26¼	8½	4.00	General Electric	18½	18½
40½	19⅝	2.00	General Foods	30⅝	31¼
24⅜	7⅜	1.00	General Motors	16⅞	16½
28⅝	6⅛	1.0	General Railway Signal	Unq.	Unq.
24¼	10⅛	1.00	Gillette Safety Razor	19⅜	19⅜
19⅞	8¼	1.60	Gold Dust	19⅜	19⅜
11⅜	2¼		Goodrich Rubber	7	7⅛
28⅜	5½	—	Goodyear Tire & Rubber	23	19⅞
18¾	3⅜	—	International Cement	12¼	13
1⅞	½		International Combu. Eng.	Unq.	⅞
32¼	10⅜	1.20	International Harvester	28½	29⅜
12¼	3½	—	International Nickel	9⅜	Not
15½	2⅜	—	International Tel. & Tel.	13	12⅛
31½	10	—	Johns Manville	29¾	29¼
19	4⅞	—	Kennecott	13⅝	13¾
9½	1 32	—	Kreuger & Toll	¼	¼
65½	32½	•4.00	Liggett & Myers, "B"	66¼	66½
36⅞	13¼	•3.00	Loew's: Inc.	32	32½
17½	9	1.20	Lorillard P. Co. (com.)	15⅞	15⅞
11⅜	1½		Ludlum Steel	7⅞	9
15¼	3½	—	Montgomery Ward	15¾	15⅜
64½	23¾	20	National City Bk. bid price	54½	52¾
9⅞	2½	—	Nevada Copper	6⅝	6⅞
36⅝	8¾	—	New York Central	28½	28½
42¾	13¾	10⅝	North American Co.	33¾	34⅜
37	16⅞	2.00	Pacific Gas & Electric	30¼	30¾
5¼	1½	—	Packard Motors	3⅜	3¾
11½	1½	—	Paramount—Publix. Corp	5	5
23⅜	6½	—	Pennsylvania Railroad	19	19
4¼	1	—	Pennroad Corporation	3	2⅞
8	2	—	Phillips Petroleum	5¾	5¾
60	28	3.20	Public Service of N. Jersey	51⅜	52
12½	2½	—	Radio Corporation	9¼	9½
7⅛	1½	—	Radio-Keith Orpheum	5⅛	5¼
45⅝	26½	3.00	Reynolds Tobacco "B"	34½	34⅝
37⅜	9⅞	—	Sears Roebuck	24⅛	24⅜
8⅜	2½	—	Shell Union	6½	6¼
12⅝	3	—	Simmons Company	12	12
12¼	5¼	.80	Socony-Vacuum Corp.	9⅞	9¾
32¾	15¾	2.00	SouthernCaliforniaEdison	28¼	24⅜
34¼	7⅝	2.00	Standard Gas & Electric	21¾	22⅜
37¼	19⅞	•1.00	Standard Oil of N. Jersey	31	30⅞
17⅜	9¼	1.00	Texas Corporation	13⅜	13¼
26¾	12	2.00	Texas Gulf Sulphur	22⅝	22⅜
7	2⅛	-	Trans America	6	6
36⅜	15½	1.20	Union Carbide & Carbon	28⅝	28⅞
94¼	27⅝	6.00	Union Pacific Railway	74¢	74½
32¼	6½	-	United Aircraft & Trans	30½	30½
13⅜	3½	.40	United Corporation	10⅞	11⅛
21⅞	9¼	1.20	United Gas Improvement	20	19⅞
9¾	1⅛	—	U.S. Rubber	6⅝	6⅞
52⅝	21¼	—	U.S. Steel	42½	42⅝
23¼	5¼	-	Vanadium	18	18⅜
4½	½	-	Warner Bros. Pictures	3⅛	3⅛
43½	15⅞	—	Westinghouse E. & M.	35⅝	36⅛
45⅝	22	2.40	Woolworth	40	39½
			*Plus extras	Call Money	2% 2%

SWAN, CULBERTSON & FRITZ

Swan Culbertson & Fritz

Investment Securities—Local & Foreign

Safe Deposit Facilities

New York stock quotations received daily

Sassoon House Telephones 11200 (4 lines)

The Bridge of Health!

Build the bridge that will carry you over from ill-health miseries to abounding vigour and enjoyment of life. That means you must build up the healthy and plentiful bloodstream that your body needs in order to rid yourself of your ailments permanently. Impoverished blood lies at the root of most ill-health and is the cause of such ailments as

NEURESTHENIA PHYSICAL WEAKNESS
BACK PAINS PAINS IF LIMBS
DYSPEPSIA VERTIGO
EMACIATION PALLOR
INSOMNIA BAD DREAMS
RHEUMATISM SCIATICA
WOMEN'S AILMENTS

For these and similar symptoms of blood-impoverishment you need a course of the famous blood and nerve tonic

Dr. Williams' Pink Pills

This old and proven remedy has been the pre-eminent blood and nerve tonic for fifty years. Nothing else will so surely or so rapidly

Enrich the Blood & Restore the Nerves.

A.B.C. PRESS, SHANGHAI
Printing
in all its Branches

Your work should bear our imprint

The National City Co. Gold Bond Quotations Received From Head Office

Sept. 29, 1932.

SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York ..	Stock	55½	—
Argentine Government	6 % May 1, 1960	56	11.17
U. S. of Brazil	6½% Oct. 15, 1957	17¼	—
Republic of Finland ..	6½% Sep. 1, 1956	71½	9.54
German Central Bank for Agriculture	6 % Oct. 15, 1960	49½	—
Kingdom of Italy	7 % Dec. 1, 1951	95½	7.45
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	11½	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	49½	—
American I.G. Chemical Corporation..	5½% May 1, 1949	79	7.78
Rhine Westphalia Electric Power Corp. ..	6 % Apr. 1, 1955	51	12.59

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 %	1925	67	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 %	1913/60	68	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 %	1913/60	66	—
Chinese Government (Crisp Loan) . .	5 %	1912	45	—
Shanghai-NankingRailway..	5 %	1904/08	40	—
Shanghai - Hangchow-Ningpo Railway ..	5 %	1908 58	70	—
Hukuang Railway.. ..	5 %	1911/1951	20	—
Tientsin-PukowRailway	5 %	1908/09	22	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai, Oct. 5, 1932

Demand selling rate on America: U.S. $1.00=Sh. $4.7299
Demand buying rate on America: U.S. $1.00=Sh. $4.6458
Demand selling rate on London: £1.0.0=Sh. $16.372
Demand buying rate on London: £1.0.0=Sh. $16.040

Sir Frederick Whyte Comments on Lytton Report

Interviewed by a representative of the *Manchester Guardian*, on the subject of the Lytton Report, Sir Frederick Whyte, a political adviser to the National Government of China since 1929, who is at present in England, stated that what is implicit in the argument of the Commission is the thesis that, while radical reform is needed in China itself, the course pursued by Japan is a violation of her international obligations. It may be said, he continued that the substance of the Report is a plea for a re-consideration of Japan's policy. The crux of the problem now lies in the fact that the deliberate recognition of Manchukuo by Japan has forestalled any possible action by the League. Sir Frederick said he believed that, before long, Japan would discover that the isolation in which she has placed herself is too dangerous and that she cannot afford to provoke Russia, flout the United States and ignore the League simultaneously.

COMMERCIAL EXPRESS & STORAGE CO.
EXPERT PACKERS
8B YUEN MING YUEN ROAD SHANGHAI TEL. 16931-2-3

READ

"THE CHINESE REPUBLIC"

Edward Bing-Shuey Lee, Editor

SPECIAL FEATURES

1. Review of World Events
2. Survey of the Week's News in China
3. The Mis-Republic
4. Chinese Enterprises
5. Chinese Leaders' Views
6. Sports

OTHER FEATURES

1. Editorials
2. Special Articles on Economic Development, Foreign Affairs, Current Topics and Specialized Subjects
3. Reconstruction
4. Chinese Press Opinion
5. Foreign Press Opinion
6. Documentary Data

20 Cents per Copy

$ 7.00 Mex. per year (domestic)
$16.00 Mex. per year (foreign)

Business and Editorial Offices,
14 Kiukiang Road, Shanghai.

THE PEOPLE'S TRIBUNE

An Organ of National-Revolutionary Thought and Opinion
Edited by T'ANG LEANG-LI

THE PEOPLE'S TRIBUNE aims at conveying accurate information and the correct interpretation thereof, at informing the foreign public what China's masses and their responsible leaders are hinking and doing, at explaining the significance of major political and other relevant developments—without fear or prejudice.

Among its contributors we find political leaders and thinkers of international repute, such as WANG CHING-WEI, T. V. SOONG, CHEN KUNG-PO, QUO TAI-CHI, Dr. WELLINGTON KOO, SUN FO, and experts who, anonymously or under their own name, write with the greatest authority on their respective subjects.

THE PEOPLE'S TRIBUNE is therefore indispensable to all who are interested in the political, social, and economic development of national-revolutionary China.

Single Numbers: 20 cents — Twelve Numbers: Mex $2.00 (Abroad G. $1.50)

CHINA UNITED PRESS

72 Szechuan Road, Shanghai
Telephone: 18447 — Cablegrams: Cupress

Read and Subscribe

The China Voice

A Fortnightly Journal of Opinion.

Subscription Rates including postages as follows:—

Country	3 Months	6 Months	One Year.
China	$2.00	$4.00	$7.00
Foreign	G. $1.50	G. $3.00	G. $5.00

Write To

The China Voice

23 Yuen Ming Yuen Road
SHANGHAI.

NOW AND AT ONCE!

An Egyptian Holiday

Travel home on the President Liners via Suez and enjoy a three day holiday in Egypt. Yet, you lose no time enroute. Leave your President Liner at Suez and motor to Cairo. The Third Day rejoin the same ship at Alexandria . . . Make Egypt the high point of your homebound trip.

DOLLAR STEAMSHIP LINES *and* AMERICAN MAIL LINE

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privilege in China.